C8900-8

BUSINESS RESPONSE TO THE 1992 EUROPEAN INITIATIVE

A STUDY CONDUCTED AMONG U.S. AND INTERNATIONAL COMPANIES

SPONSORED BY FORTUNE MAGAZINE AND ERNST & WHINNEY

1989

© 1989 The Time Inc. Magazine Company
All rights reserved #89031

TABLE OF CONTENTS

	Page
INTRODUCTION	1
METHOD	2
EXECUTIVE SUMMARY	4
DETAILED FINDINGS	
Section A -- Analysis Strategy	11
Section B -- Company Operations In Europe	12
Section C -- Awareness Of The Changing European Business Climate	22
Section D -- Impact Of The Single European Market On Europe	38
Section E -- European Community Protectionism	74
Section F -- Impact Of The Single European Market On The Company And Industry	96
Section G -- Corporate Response To The Single European Market	130
APPENDIX A -- Characteristics Of The Sample	153
APPENDIX B -- Mailing Materials	156

INTRODUCTION

In 1957, the Treaty of Rome established the European Economic Community, or Common Market. In 1985, the Commission of the European Community published the "White Paper On Completing The Internal Market," calling for a true Single European Market. With the passage of the Single European Act, all European Community governments committed themselves to the Single Market and established December 31, 1992 as the target date to complete the changes necessary to achieve a single internal market.

The twelve member countries of the European Community (EC) include: Belgium, Denmark, France, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, the United Kingdom and West Germany. These countries combined will become a major force in world markets -- surpassing the United States and Japan in population, imports, exports and share of world trade.

The Single Market represents one of the most important challenges for global marketers, as well as local marketers. With new and restructured markets and stronger European competitors, the nature of doing business will change in the decade ahead. Developments surrounding the creation of the Single Market therefore have important strategic implications for most companies. Not only is it necessary for companies to monitor events in Europe, it is vital for companies to know about the actions and reactions of competitors in order to plan a competitive strategy.

This research was designed to collect information about how the largest companies in the United States, the European Community and Japan are preparing for the Single Market of 1992. This research also provides an analysis of differences in the responses of industrial and service companies, and large and mid-sized companies, to the formation of a single European market. While there exist numerous studies about 1992, none have studied companies worldwide in as much detail or with as large a sample.

It is hoped that this information is of value for all senior managers planning their corporate response to 1992 -- those who currently have operations in Europe, those who are planning to develop operations in Europe, and those who are seeking to protect their market share from incursions by European companies.

METHOD

This research is based on questionnaires mailed to corporate executives in the world's largest corporations: the FORTUNE 500 industrial companies, the FORTUNE 500 service companies and the FORTUNE 500 international industrial companies, as compiled in 1988.

In addition, a random sample of mid-sized industrial and service companies in the United States were included in the study. Mid-sized industrial companies were defined as industrial companies with sales in excess of $400 million that were not FORTUNE 500 industrial companies. Mid-sized service companies were defined as service companies with assets in excess of $1 billion that were not FORTUNE 500 service companies. The list of these companies was provided by Technimetrics, Inc., an established list database company located in New York.

The survey was personally addressed to the Chief Executive Officer or Managing Director, but if that person was not able to fill out the questionnaire, they were asked to pass it on to a senior company officer knowledgeable about their company's strategic planning and European operations, if any. As it turned out, close to nine in ten of those who completed the questionnaire were top managers. (The demographic characteristics of the respondents are provided in Appendix A.)

In order to foster cooperation, the cover letter accompanying the questionnaire was signed by the publisher of FORTUNE Magazine and respondents were told that FORTUNE Magazine and Ernst & Whinney were co-sponsoring the research. Each survey packet (except for the Japanese version described below) contained a $5 bill (U.S.) as "a token of appreciation" and a stamped return envelope. In addition, respondents were offered a copy of the results of the completed study. Two weeks later, another copy of the questionnaire and stamped return envelope were mailed to companies in the FORTUNE 500s (except in Japan) along with a cover letter urging cooperation.

The questionnaire was translated into Japanese for mailing to the 157 Japanese companies included in the FORTUNE 500 international listing. Like the English version, the cover letter from the publisher of FORTUNE was personally addressed to the Chief Executive Officer or Managing Director of the company. The incentive used was a 500 yen telephone cash card enclosed with the questionnaire. Respondents were also offered a copy of the results of the completed study. Two follow-up telephone calls urging cooperation were made to boost response. (Copies of all of the mailing materials are provided in Appendix B.)

Fieldwork for the English version of the study and all of the tabulations were handled by Pulse On America, a research firm located in New York. All fieldwork and translation for the Japanese portion of the research was handled by Omega Communications, a research firm located in Tokyo.

All of the questionnaires were mailed on March 7 and 8, 1989. The second wave of the English version was mailed on March 20, 1989. Follow-up telephone calls were made to the Japanese companies during the weeks of March 20th and April 3rd. All fieldwork was closed on April 26, 1989.

The complete data set includes responses from companies around the world. This report focuses only on those companies located in the United States, Japan and the European Community. Sample sizes for countries located in the rest of the world are too small to permit detailed analysis and combining these remaining geographic areas together does not make sense given the subject matter of the research.

The table below shows the response rates by area and type of company:

	Mail Out	Post Office Returns	Net Mail Out	Returns	Response Rate*
United States					
FORTUNE 500 Industrial	500	1	499	176	35.3%
FORTUNE 500 Service	500	1	499	135	27.1
Mid-Sized Industrial	368	4	364	103	28.3
Mid-Sized Service	367	0	367	106	28.9
Japan Industrial	157	0	157	91	58.0
European Community Industrial	202	0	202	83	41.1

* The response rate is calculated as the percentage of delivered questionnaires that were returned completed.

Differences in the reactions of these six types of companies to the Single European Market are analyzed in this report.

EXECUTIVE SUMMARY

Analysis Strategy

The data collected for this research have been analyzed to examine three types of patterns:

- Area patterns showing differences in the responses of American, Japanese and European Community companies;
- Sector patterns analyzing the ways in which industrial companies are responding differently than service companies; and,
- Size patterns examining how the responses of large companies differ from those of mid-sized companies.

The area patterns will be discussed throughout this summary. Sector and size patterns are summarized at the end of this section. The way in which the data were collected limits the area findings to comparisons among industrial companies and the sector and size findings to comparisons among American companies.

Company Operations In Europe

- Almost all EC industrial companies and most U.S. and Japanese industrial companies have operations in Europe.
- The most common types of European operations tend to be sales and distribution, followed by marketing, manufacturing (among industrial companies), and fully independent subsidiaries.
- Among those companies with European operations, a large share of the total sales/assets of EC industrial companies, not surprisingly, are derived from their European operations. The largest U.S. industrial companies are a distant second in terms of the percent of sales/assets accounted for by their European operations, with Japanese companies ranking third.
- EC and American companies tend to manage their European operations locally while Japanese companies tend to manage these operations directly from corporate headquarters.

Awareness Of The Changing European Business Climate

- While most executives know that the European Community dominates the United States and Japan in population, large proportions of business executives in the United States, Japan and even the European Community underestimate the leading role played by the European Community in imports, exports and world trade.

- Executives in European Community countries are far more aware of general business conditions in Europe and the Single Market Initiative than are executives in American companies. In turn, American executives are more aware than Japanese executives. American executives are more likely to be aware of the Single Market Initiative than they are of general business conditions in Europe.

- While most executives believe that Europe will succeed in creating the Single Market over the next few years, executives are much more likely to think Europe will be "fairly successful" rather than "very successful." Executives in European Community companies tend to be more optimistic than are executives in the United States and Japan.

- Almost all of the executives believe that countries in the European Community -- rather than countries in Western Europe not in the EC, Eastern European countries, Japan or the United States -- will be the chief beneficiaries of the Single Market, both in the short and long-term. West Germany, Spain, France and the United Kingdom lead as the countries most expected to benefit from the events surrounding 1992.

Impact Of The Single European Market On Europe

- Large proportions of business executives agree that the Single Market will enable European firms to become more competitive with their U.S. and Japanese competitors and to increase their market share in Europe. These business leaders generally believe that the businesses of the European Community will become a more powerful force in markets worldwide. The executives also believe that the rapid growth in outside investment in Europe will continue, making the European Community an even more important playing field for marketers worldwide.

  On the other hand, about half of the executives surveyed believe that small and medium-sized companies in Europe will have a more difficult time competing successfully and about three in ten (far fewer among Japanese) believe that European firms will increase their market share in the United States and Japan.

- A substantial majority of the business leaders surveyed believe that the Single Market will result in Europe becoming a more powerful force in world politics. The majority also believe that the growth in the European economy will speed up. These executives see the Europe of 1992 as a vibrant and dynamic force -- both politically and economically.

- About half of those surveyed also believe that unemployment in Europe and the prices Europeans pay for goods and services will decrease, while only a minority believe that the rate of inflation in Europe will decline.

- Only a slim minority of the executives surveyed believe that remaining cultural differences will ultimately bring about the downfall of a true single market.

European Community Protectionism

- A large majority of the American and Japanese executives surveyed expect more protectionism from the European Community in the short-term, between now and 1992. From inside the "fortress," only a minority of European Community executives believe that the European Community will become more protectionist leading up to 1992. Compared to American and European Community executives, a large majority of Japanese executives also expect protectionism in the years following 1992.

- When asked who would be most hurt by European protectionism, business leaders tend to agree that Japanese business would be most hurt. Far fewer believe that American or European business would suffer.

- Almost all executives believe that reciprocity (requiring that foreign markets be as open to European products/services as European markets will be to foreign products/services) will be one of the protectionist measures that the EC will enact. A substantial majority believe that Europe will also enact strong anti-dumping measures. Japanese executives are more convinced than their American and EC colleagues that import quotas will also be established.

Impact Of The Single European Market On The Company And Industry

- While large proportions of executives expect their company to be affected by the formation of the Single Market, most executives surveyed do not claim to have an extremely strong understanding of the impact of a single European market on their company or their company's industry.

  Executives in European Community companies, not surprisingly, claim to have a better understanding than do Americans, and both lead the Japanese. Also not surprising, executives in European Community companies are more likely to expect that the Single Market will affect their companies than are executives in either Japanese or American companies.

- The survey asked executives to estimate how well their American, European and Japanese competitors understand the implications of the Single European Market. All groups of executives were most likely to believe that their European Community competitors are the most knowledgeable about the implications of 1992. But a global "fake out" game has apparently been played: Executives are more likely to believe their competitors understand the implications of 1992 than their competitors are to claim such understanding for themselves.

- Among the business executives that expect their company to be affected by 1992, large majorities believe their sales/distribution and marketing operations will be affected. More than half also expect their companies' operations/manufacturing functions to change. Company finance, research and development and human resources are less often expected to be affected.

The general area pattern in these findings is that European Community executives are more likely to expect changes in their operations than are American and Japanese executives. The one significant exception is that Japanese companies are as likely as European Community companies to expect their operations/manufacturing to be affected. As summarized below, large proportions of Japanese companies are expanding their European operations to increase their presence in Europe. This is undoubtedly part of the Japanese response to the anticipated negative consequences of European protectionism for Japanese business.

- The majority of executives in European Community and American companies believe that the formation of a single European market will benefit their industry, with executives in European Community companies even more optimistic than Americans. In contrast, Japanese executives are divided in their opinions. This is not surprising, given the anticipated impact of EC protectionism on Japanese business.

- Executives were asked which elements of the Single Market would be most important for their company. The largest proportions believe that the technical standardization, testing and certification of products and the easy movement of goods are the most important actions the European Community could take to benefit their companies.

Corporate Response To The Single European Market

- When asked about the advantages of the Single Market for their company, the majority of executives expect an expanded market for their company's products/services. A substantial majority also expect that the Single Market will launch European operations that will benefit their company -- joint ventures, partnerships, takeovers, mergers, strategic alliances. Very few executives, even from companies in the European Community, believe their companies will benefit from the formation of Pan-European companies.

- The majority of corporate executives that expect their company to be affected by the formation of a single European market believe it is important that their company respond. European Community executives lead American executives, who in turn lead Japanese executives, in considering a response to 1992 a pressing issue for their company.

  Most of these companies, however, have not yet completed a strategic plan for dealing with the Single Market. The majority of companies are still in the process of developing a plan. The planning underway tends to be both Pan-European (one plan for all of Europe) and local/national (separate plans for each country).

- The questionnaire provided those business leaders who expected their company to be affected by the Single Market with specific steps a company could take to address 1992 issues. Countries in different geographic areas are acting very differently to respond to the challenges of the Single Market:

  European Community companies seem to be focussing their attention on learning and growth -- undertaking market research and competitive studies, searching for merger/acquisition targets and strategic alliances in Europe, developing joint venture partnerships with European firms, training executives in the implications of 1992, reorganizing their present European sales/ distribution structures and adapting existing products/services for the European market.

  Like EC companies, American companies are most likely to be searching for merger/acquisition targets and strategic alliances in Europe, training executives in the implications of 1992 and adapting existing products/services for the European market. While these actions suggest that American companies are seeking to expand their European operations and their understanding of Europe, American companies are less likely than EC and Japanese companies to be searching for strategic alliances in Europe and to be undertaking market research and competitive studies.

  Japanese companies are seeking to establish a strong presence in Europe: searching for strategic alliances in Europe, undertaking market research and competitive studies, building/acquiring new European manufacturing facilities, establishing a European branch or subsidiary, developing joint venture partnerships with European firms and reorganizing present European sales/ distribution structures. These actions are not surprising given the protectionist activities the Japanese executives expect from the European Community.

- The majority of large industrial companies are considering expanding their presence in European countries. The leading countries designated for expansion activities are West Germany, Spain, France, the United Kingdom and Italy. The rank order of countries chosen for expansion by American companies is the order just presented. In contrast, Japanese companies are most likely to choose the United Kingdom and West Germany and European Community companies are most likely to choose Spain, followed at some distance by West Germany, Italy and France.

Differences Between U.S. Industrial And Service Companies' Responses To The Single European Market

The general conclusions from the findings presented in this report are that U. S. industrial companies expect to be much more affected by a unified Europe and therefore are far more concerned and informed about the events surrounding its formation and are more pro-active in their response than are U.S. service companies.

- U.S. industrial companies are much more likely than U.S. service companies to have operations in Europe. Among U.S. companies with European operations, industrial companies have a wider range of operations and derive a greater share of their sales/assets from these operations than do service companies.

- U.S. industrial companies are much more aware of changes in the business conditions in Europe and the 1992 European Initiative than are U.S. service companies. In addition, executives in industrial companies are more likely than executives in service companies to say their senior managers are knowledgeable about the impact of 1992 on their company and industry.

- U.S. industrial companies are more likely than U.S. service companies to expect to be affected by a single European market and are more likely to believe their industry will benefit.

- Not surprisingly, executives in industrial and service companies differ in the aspects of the Single Market they consider to be important for their company. Industrial executives are more interested in technical standardization, testing and certification of products and the easy movement of goods. Service executives are more interested in the easy movement of capital and a common currency.

- Service companies are much less likely than industrial companies to believe that the Single Market will bring an expanded market for their companies' products/services.

- Executives in industrial companies are much more likely than executives in service companies to believe that their company should formulate a response to 1992. It is not a surprise, therefore, that industrial companies are much more likely than service companies to be planning for 1992.

- U.S. service companies are much less likely than U.S. industrial companies to be planning to expand their European operations.

Differences Between Large And Mid-Sized U.S.
Companies' Responses To The Single European Market

The differences in how large and mid-sized U.S. companies expect to be affected by the Single Market and how the companies will respond parallel the differences between U.S. industrial and service companies: Large companies expect to be much more affected by the formation of a single European market, in part because they are more likely to have European operations, and therefore are more concerned, more knowledgeable and more responsive to changing conditions in Europe than are mid-sized companies.

DETAILED FINDINGS

SECTION A

Analysis Strategy

The data collected in this investigation have been analyzed to examine three types of patterns:

Area Patterns showing differences in the responses of companies located in the United States, Japan and the European Community. These comparisons are only possible among FORTUNE 500 industrial companies. When the report analyzes differences in the responses of U.S., Japanese and EC executives, therefore, only large industrial companies are being considered.

Sector Patterns analyzing differences in the ways in which industrial companies versus service companies are responding. This analysis is restricted to a comparison of industrial and service companies located in the United States -- no service companies are included in the international FORTUNE 500 listing. This research may underestimate the differences between service and industrial companies since companies classified as industrial can have some service operations and companies classified as service can have some industrial operations.

Size Patterns examining how the responses of the largest companies, the FORTUNE 500 companies, differ from those of mid-sized companies. Only mid-sized U.S. companies were added to the FORTUNE 500 samples and therefore this analysis is again restricted to a comparison of U.S. companies.

These analyses will be discussed in each of the following sections, as appropriate.

SECTION B

Company Operations In Europe

As this report will show, there are patterns in the ways different types of companies are reacting to the formation of a single European market. These patterns are based, in part, on differences in the extent to which companies are currently involved in Europe.

Presence In Europe

- Among FORTUNE 500 companies, almost all EC industrial companies (98%) have operations in Europe, not surprisingly. And most U.S. and Japanese industrial companies (87% and 85%) have operations in Europe. In contrast, only about four in ten (44%) large U.S. service companies currently have a presence in Europe.

- Mid-sized U.S. companies are less likely to have European operations than their FORTUNE 500 counterparts (75% vs. 87% among industrial companies; 32% vs. 44% among service companies).

Types Of Operations In Europe

- Among companies that have operations based in Europe, the most common types of European operations tend to be sales and distribution, followed by marketing, manufacturing (among industrial companies), and fully independent subsidiaries. About a third of industrial companies in the U.S. (37% for FORTUNE 500 industrial companies and 30% for mid-sized industrial companies) and a quarter of industrial companies in Japan (26%) also have major suppliers located in Europe.

- Of all the FORTUNE 500 companies studied that have European operations, EC industrial companies are, of course, most likely to have these operations in Europe. U.S. industrial companies are more likely than Japanese industrial companies to have each of these types of European operations.

- U.S. industrial companies with a presence in Europe are much more likely to have each of these types of European operations than are U.S. service companies with a presence in Europe.

- Among U.S. industrial companies with operations in Europe, the largest companies are more likely than mid-sized companies to have each of these types of operations located in Europe.

Importance Of European Operations

- Again analyzing only those companies with European operations, a large share (57%, on average) of the total sales/assets of EC industrial companies, not surprisingly, are derived from their European operations. The largest U.S. industrial companies trail, with 17% of their sales/assets, on average, coming from Europe. Japan is third, with 11% of the sales/assets of those with European operations, on average, coming from Europe.

- Among U.S. companies with European operations, industrial companies gain more from these operations than do service companies (17% vs. 10%, on average among large companies; 21% vs. 15% among mid-sized companies).

- There is a tendency for mid-sized U.S. companies with operations in Europe to derive a larger share of their sales/assets from their European operations than their larger counterparts (21% vs. 17% among industrial companies; 15% vs. 10% among service companies). However, the sample sizes are small and therefore these findings are only suggestive.

Management Of European Operations

- Three out of four (74%) EC companies with European operations manage these operations locally in each country. One in five (19%) manage these operations regionally and another one in five (19%) manage their European operations directly from corporate headquarters.

- Fifty to sixty percent of U.S. companies with European operations -- whether industrial or service -- manage these operations locally in each country.

  When it comes to regional control, U.S. industrial companies are more likely than U.S. service companies to manage their European operations regionally (44% vs. 24% among large companies; 34% vs. 19% among mid-sized companies).

  Less than one in five of any of the U.S. companies studied manage their European operations directly from corporate headquarters.

  There are no significant differences in the ways in which large U.S. companies and mid-sized U.S. companies manage their European operations.

- In contrast to American and European companies, the largest proportion of Japanese industrial companies manage their European operations directly from corporate headquarters (46%), followed by regional (34%) and local (22%) management.

WHETHER COMPANY CURRENTLY HAS EUROPEAN OPERATIONS

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Currently have European operations	87%	44%	85%	98%
Do not currently have European operations	13	56	15	2

WHETHER COMPANY CURRENTLY HAS EUROPEAN OPERATIONS

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Currently have European operations	75%	32%
Do not currently have European operations	25	68

COMPANY OPERATIONS CURRENTLY BASED IN EUROPE

(Among FORTUNE 500 Companies Worldwide
That Currently Have European Operations)

	U.S. Industrial (156)	U.S. Service (66)*	Japan Industrial (82)	EC Industrial (83)
Sales/distribution	80%	36%	73%	82%
Marketing	69	26	56	75
Manufacturing	67	5	49	81
Fully independent subsidiaries	60	27	42	69
Major suppliers	37	11	26	54
Other	5	8	7	4
No answer	2	11	6	2

* Small base size; interpret with caution.

COMPANY OPERATIONS CURRENTLY BASED IN EUROPE

(Among Mid-Sized U.S. Companies
That Currently Have European Operations)

	Industrial (79)	Service (42)*
Sales/distribution	72%	26%
Marketing	56	24
Manufacturing	54	19
Fully independent subsidiaries	43	29
Major suppliers	30	12
Other	4	10
No answer	3	19

* Small base size; interpret with caution.

PERCENTAGE OF COMPANY'S TOTAL SALES OR ASSETS
ACCOUNTED FOR BY EUROPEAN OPERATIONS

(Among FORTUNE 500 Companies Worldwide
That Currently Have European Operations)

	U.S. Industrial (156)	U.S. Service (66)*	Japan Industrial (82)	EC Industrial (83)
75% or more	--%	--%	1%	32%
50% - 74%	2	3	1	33
40% - 49%	4	1	--	6
30% - 39%	13	6	8	7
20% - 29%	21	6	9	4
10% - 19%	25	13	11	5
5% - 9%	13	20	16	4
1% - 4%	14	38	33	2
0%	2	2	11	--
No answer	6	11	10	7
Average % of company's total sales/assets accounted for by European operations	17.2%	9.7%	10.7%	56.8%

* Small base size; interpret with caution.

PERCENTAGE OF COMPANY'S TOTAL SALES OR ASSETS
ACCOUNTED FOR BY EUROPEAN OPERATIONS

(Among Mid-Sized U.S. Companies
That Currently Have European Operations)

	Industrial (79)	Service (42)*
75% or more	--%	--%
50% - 74%	8	2
40% - 49%	8	5
30% - 39%	13	14
20% - 29%	16	2
10% - 19%	20	7
5% - 9%	14	24
1% - 4%	11	21
0%	1	--
No answer	9	25
Average % of company's total sales/assets accounted for by European operations	20.5%	15.3%

* Small base size; interpret with caution.

MANAGEMENT OF EUROPEAN OPERATIONS

(Among FORTUNE 500 Companies Worldwide
That Currently Have European Operations)

	U.S. Industrial (156)	U.S. Service (66)*	Japan Industrial (82)	EC Industrial (83)
Managed locally in each country	59%	59%	22%	74%
Managed regionally	44	24	34	19
Managed directly from corporate headquarters	15	18	46	19
Other	2	3	5	2
No answer	4	9	2	2

* Small base size; interpret with caution.

MANAGEMENT OF EUROPEAN OPERATIONS

(Among Mid-Sized U.S. Companies
That Currently Have European Operations)

	Industrial (79)	Service (42)*
Managed locally in each country	53%	57%
Managed regionally	34	19
Managed directly from corporate headquarters	18	14
Other	1	2
No answer	8	17

* Small base size; interpret with caution.

SECTION C

Awareness Of The Changing European Business Climate

Perceptions About The European Market

The survey asked four questions designed to measure perceptions about the importance of the European market. The questions asked which of three areas -- the European Community (excluding trade between community countries), the United States or Japan -- leads in imports, exports, share of world trade and size of population.

The European Community is, in fact, the leader over the United States and Japan in each of these four areas (Britannica Book of the Year, 1989; Eurostat: Basic Statistics of the Community, 1988). Except in terms of population, however, large proportions of business executives underestimate the impact of the European Community on the global market.

- A substantial majority of the business executives surveyed in the United States and Japan and half of those surveyed in the European Community believe that the United States leads the European Community and Japan in imports.

  U.S. industrial companies are more likely to believe that the U.S. is the leading importer than are U.S. service companies. Large U.S. companies have about the same opinions as mid-sized U.S. companies.

- In terms of exports, the majority of those surveyed in the United States and Japan believe that Japan leads the United States and the European Community. Opinions among business leaders in the European Community are split between thinking Japan leads (45%) and thinking that the European Community leads (40%).

  There are no substantial differences in the opinions of U.S. industrial vs. service companies and large U.S. companies vs. mid-sized U.S. companies.

- Opinions vary quite widely about the leader in world trade.

  Executives in American industrial and service companies are divided in their opinion about who is the leader in world trade. About four in ten executives of large American industrial companies think the United States leads (38%), and about the same number (35%) think the European Community leads. Among executives in large U.S. service companies, more executives believe the European Community leads than believe the United States leads (39% vs. 30%). Among mid-sized U.S. companies, executives in both industrial and service companies are more likely to think the U.S. leads.

Japanese business leaders are even more likely than American business leaders to believe that the United States leads in world trade, over the European Community and Japan. Half of the Japanese business leaders surveyed (54%), contrasted with about four in ten of the American business leaders surveyed (38%), believe that the United States leads in world trade, over the European Community and Japan.

Half of business leaders in the European Community (52%) correctly believe the European Community to be the leader in world trade. About one in four (23%) believe the U.S. leads. The remainder either think Japan leads (15%) or do not have an opinion (10%).

- Business leaders' perceptions of the population of the European Community market are fairly accurate. About eight in ten of the business executives surveyed in industrial companies in the European Community, the United States and Japan correctly believe that the European Community has the largest population. That executives comprehend the size of the new Single Market is not surprising given the amount of press attention paid to the fact that the Single Market will create one of the world's largest new markets.

  Executives in U.S. service companies are slightly less accurate, with only 66% of those in large service companies and 49% of those in mid-sized service companies believing that the population of the European Community is larger than that of the United States or Japan.

Awareness Of Changing Business Conditions In Europe

Two questions were used to measure the extent to which business leaders perceive that their company's senior managers monitor the business climate in Europe. One asked about senior management awareness of changes in the European business environment generally and the other asked about senior management awareness of the 1992 European Initiative specifically. The patterns of responses to the two questions are quite similar.

- EC companies are, by far, more aware of business conditions in Europe and the Single Market Initiative than are large American industrial companies (80% vs. 56% "very aware" of the European business environment; 87% vs. 71% "very aware" of the Single Market Initiative), who are in turn much more aware than are Japanese companies (56% vs. 10%; 71% vs. 9%). Japanese industrial companies tend to be only fairly aware (62%) or not too aware (28%) of changes in the business climate of Europe.

- American companies are more aware of the Single Market Initiative than they are of changes in the general European business environment (among large companies: 71% vs. 56% "very aware" among industrial companies; 39% vs. 27% "very aware" among service companies; among mid-sized companies: 60% vs. 44% "very aware" among industrial companies; 34% vs. 19% "very aware" among service companies).

- U.S. industrial companies are much more aware of business conditions in Europe and the 1992 Initiative than are U.S. service companies (among large companies: 56% vs. 27% and 71% vs. 39%; among mid-sized companies: 44% vs. 19% and 60% vs. 34%).

- Large U.S. industrial companies are more aware of changes in the European business environment and the Single Market Initiative than are their mid-sized counterparts (56% vs. 44%; 71% vs. 60%). Similarly, large U.S. service companies tend to be more aware than mid-sized U.S. service companies (27% vs. 19%; 39% vs. 34%).

Success Of The 1992 Initiative

Business executives were asked whether they believe that Europe will succeed in creating the Single Market in the next few years.

- While most executives in the United States and Japan (more than two in three) believe that Europe will succeed, executives are much more likely to think Europe will be "fairly successful" (about six in ten) rather than "very successful" (less than one in ten) in achieving this goal. About one in three think that Europe will not succeed in creating the Single Market.

- Executives in the European Community are more optimistic about Europe's chances than are executives in the United States and Japan. About eight in ten (79%) believe that Europe will succeed at least fairly well and only two in ten (21%) believe that Europe will not. But interestingly, only 5% of business leaders in the European Community believe that Europe will be "very successful" in creating the Single Market that is their goal.

- Executives in mid-sized U.S. service companies are slightly less certain about the formation of the Single Market; only 55% believe that Europe will succeed.

Beneficiary Of The Single Market

Executives were asked who will benefit most from the Single European Market in the short-term and long-term -- countries in the European Community, Western European countries not in the European Community, Eastern European countries, Japan or the United States.

- Opinions are almost unanimous that countries in the European Community will be the chief beneficiary, both in the short and long-term. More than eight in ten executives of large industrial companies think that countries in the European Community will benefit most in the short-term and more than seven in ten think that countries in the European Community will benefit most in the long-term.

- When asked to name the countries which would benefit most, West Germany, Spain, France and the United Kingdom tended to lead among those who named particular countries.

- Mid-sized U.S. service companies were less likely to have an impression about the countries that would benefit most from the formation of the Single Market.

BELIEFS ABOUT PARTICULAR AREAS

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Leading Area In IMPORTS:				
United States	76%	67%	62%	49%
European Community (excluding trade between Community countries)*	16	19	18	37
Japan	3	4	12	4
No idea at all	5	10	8	10
Leading Area In EXPORTS:				
Japan	57%	60%	59%	45%
European Community (excluding trade between Community countries)*	27	24	22	40
United States	10	7	18	7
No idea at all	6	9	1	8
Leading Area In WORLD TRADE:				
United States	38%	30%	54%	23%
European Community (excluding trade between Community countries)*	35	39	25	52
Japan	17	20	19	15
No idea at all	10	11	2	10
Leading Area In POPULATION:				
European Community*	83%	66%	89%	78%
United States	10	22	8	10
Japan	1	2	1	2
No idea at all	6	10	2	10

* = correct answer

BELIEFS ABOUT PARTICULAR AREAS

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Leading Area In IMPORTS:		
United States	81%	61%
European Community (excluding trade between Community countries)*	10	13
Japan	3	7
No idea at all	6	19
Leading Area In EXPORTS:		
Japan	59%	58%
European Community (excluding trade between Community countries)*	23	17
United States	11	8
No idea at all	7	17
Leading Area In WORLD TRADE:		
United States	41%	40%
European Community (excluding trade between Community countries)*	31	20
Japan	21	20
No idea at all	7	20
Leading Area In POPULATION:		
European Community*	77%	49%
United States	15	22
Japan	1	8
No idea at all	7	21

* = correct answer

AWARENESS OF SENIOR MANAGEMENT ABOUT CHANGES
NOW OCCURRING IN EUROPEAN BUSINESS ENVIRONMENT

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Very aware	56%	27%	10%	80%
Fairly aware	35	49	62	18
Not too aware	9	20	28	2
Not at all aware	--	4	--	--

AWARENESS OF SENIOR MANAGEMENT ABOUT CHANGES
NOW OCCURRING IN EUROPEAN BUSINESS ENVIRONMENT

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Very aware	44%	19%
Fairly aware	42	47
Not too aware	14	28
Not at all aware	--	5
No answer	--	1

AWARENESS OF SENIOR MANAGEMENT ABOUT
THE EUROPEAN INITIATIVE TO CREATE A SINGLE MARKET
BY THE END OF 1992

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Very aware	71%	39%	9%	87%
Fairly aware	26	44	71	13
Not too aware	3	13	20	--
Not at all aware	--	4	--	--

AWARENESS OF SENIOR MANAGEMENT ABOUT
THE EUROPEAN INITIATIVE TO CREATE A SINGLE MARKET
BY THE END OF 1992

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Very aware	60%	34%
Fairly aware	31	47
Not too aware	9	18
Not at all aware	--	1

EXTENT TO WHICH EUROPE WILL BE SUCCESSFUL
IN CREATING A SINGLE MARKET
IN THE NEXT FEW YEARS

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Very successful	7%	8%	--%	5%
Fairly successful	61	59	65	74
Not too successful	31	26	32	21
Not at all successful	1	2	--	--
No idea at all	--	5	3	--

EXTENT TO WHICH EUROPE WILL BE SUCCESSFUL
IN CREATING A SINGLE MARKET
IN THE NEXT FEW YEARS

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Very successful	5%	6%
Fairly successful	64	49
Not too successful	30	38
Not at all successful	--	--
No idea at all	1	7

AREA THOUGHT TO GAIN THE MOST
FROM A SINGLE EUROPEAN MARKET
IN THE SHORT-TERM

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Countries in the European Community*:	84%	86%	91%	86%
West Germany	22	14	32	19
Spain	18	14	6	19
France	11	10	20	6
United Kingdom	9	10	17	13
Italy	8	5	3	5
Portugal	5	4	1	2
Belgium	2	2	--	1
Netherlands	2	2	1	1
Greece	1	1	--	1
Turkey	1	--	--	--
Luxembourg	--	2	1	1
Ireland	--	--	1	--
Switzerland	--	--	1	--
No country specified	40	52	41	47
Western European countries not in the European Community	2	4	2	2
Japan	2	2	1	6
United States	2	--	--	--
Eastern European countries	1	2	--	--
No idea at all	10	7	6	6

* Particular European Community countries thought to gain the most were elicited on an open-ended basis. Errors in thinking particular countries are members of the European Community when they are not were made by the respondents, not the authors.

AREA THOUGHT TO GAIN THE MOST
FROM A SINGLE EUROPEAN MARKET
IN THE SHORT-TERM

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Countries in the European Community*:	80%	71%
West Germany	28	15
Spain	17	9
France	14	9
United Kingdom	16	7
Italy	8	4
Portugal	5	3
Belgium	1	--
Netherlands	--	--
Greece	2	2
Turkey	--	--
Luxembourg	--	--
Ireland	1	1
Switzerland	--	--
No country specified	32	44
Western European countries not in the European Community	5	6
Japan	3	2
United States	1	3
Eastern European countries	3	1
No idea at all	9	18

* Particular European Community countries thought to gain the most were elicited on an open-ended basis. Errors in thinking particular countries are members of the European Community when they are not were made by the respondents, not the authors.

AREA THOUGHT TO GAIN THE MOST
FROM A SINGLE EUROPEAN MARKET
IN THE LONG-TERM

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Countries in the European Community*:	74%	75%	79%	71%
West Germany	16	8	25	6
Spain	11	4	8	8
France	9	7	13	4
United Kingdom	6	5	19	6
Italy	6	1	6	4
Portugal	2	--	2	2
Greece	2	1	--	2
Netherlands	1	1	--	--
Belgium	1	1	--	--
Luxembourg	--	1	1	--
Ireland	--	1	--	--
Turkey	--	--	1	--
Switzerland	--	--	--	--
No country specified	48	61	35	53
United States	5	2	3	2
Japan	4	4	--	13
Western European countries not in the European Community	4	3	1	6
Eastern European countries	1	4	6	--
No idea at all	11	12	11	7

* Particular European Community countries thought to gain the most were elicited on an open-ended basis. Errors in thinking particular countries are members of the European Community when they are not were made by the respondents, not the authors.

AREA THOUGHT TO GAIN THE MOST
FROM A SINGLE EUROPEAN MARKET
IN THE LONG-TERM

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Countries in the European Community*:	72%	54%
West Germany	18	5
Spain	9	4
France	10	5
United Kingdom	9	2
Italy	4	3
Portugal	1	--
Greece	--	--
Netherlands	--	--
Belgium	--	--
Luxembourg	--	--
Ireland	--	1
Turkey	--	--
Switzerland	--	1
No country specified	48	44
United States	7	5
Japan	3	6
Western European countries not in the European Community	6	9
Eastern European countries	1	1
No idea at all	12	26

* Particular European Community countries thought to gain the most were elicited on an open-ended basis. Errors in thinking particular countries are members of the European Community when they are not were made by the respondents, not the authors.

SECTION D

Impact Of The Single European Market On Europe

Business executives were provided with a list of fourteen statements that described consequences that could potentially result from the formation of the Single Market. For each statement, executives were asked to indicate the extent to which they agreed or disagreed that the consequence would occur as a result of the 1992 European Initiative. The consequences can be classified into two groups: those describing changes in the business conditions in Europe and those describing changes in the political, economic and social conditions in Europe.

Changes In The Business Conditions

- The largest proportions of business executives agree that the Single Market will create the following changes in the European business world:

  European firms will become more competitive with their U.S. and Japanese rivals.

  European firms will increase their market share in the European market place.

  These business leaders believe that the businesses of the European Community will become a greater force in the global market.

- About half of the executives surveyed believe that small and medium-sized companies in Europe will have a more difficult time competing successfully.

- About three in ten of the executives from U.S. and EC companies, and only 14% of those from Japanese companies, believe that European firms will increase their market share in the United States and Japan.

- These are the only findings that are similar across geographic areas. Responses to the remaining business-related consequences show strong area variation:

  -- American executives in large industrial companies are less likely than Japanese and EC executives to believe that European firms will be able to increase their share of the European market (63% vs. 74% vs. 72%).

-- Japanese executives are much less likely than U.S. and EC executives to believe that small and medium-sized companies outside the EC will have a more difficult time preserving their European market share (51% vs. 78% vs. 76%). At the same time, Japanese executives are much less likely than U.S. and EC executives to believe that European firms will be able to increase their share of exports to world markets in general (32% vs. 51% vs. 51%), and to the United States and Japan in particular (14% vs. 28% vs. 34%).

-- Executives in European Community companies are even more likely than U.S. and Japanese executives to believe that rapid growth in outside investment in Europe will continue (78% vs. 69% vs. 65%).

- While executives in U.S. industrial and service companies generally tend to have the same expectations about business-related consequences, there are some differences:

  -- Service company executives are less likely than industrial company executives to have an opinion about whether a particular consequence will occur.

  -- As noted above, executives in large industrial companies are less likely to believe that European firms will be able to increase their share of the European market (63% for industrial company executives vs. 72% for service company executives).

  -- Executives in industrial companies are more pessimistic about the chances for small and medium-sized companies in Europe to compete successfully than are executives in service companies (59% vs. 43% among large companies; 54% vs. 43% among mid-sized companies).

- Executives in large and mid-sized companies generally have similar opinions about what will happen to business as a result of 1992, with three exceptions:

  -- Executives in large companies are more likely to believe that the rapid pace of outside investment in Europe will continue (69% vs. 58% among industrial companies; 66% vs. 58% among service companies).

  -- Executives in mid-sized service companies are more apprehensive than those in larger service companies about European firms increasing their market share in the U.S. and Japan (40% vs. 30%).

  -- Executives in large industrial companies are less likely than executives in mid-sized industrial companies to believe that European firms will increase their market share in the European market place (63% vs. 78%).

Changes In The Political, Economic And Social Conditions

- A substantial majority of the business leaders surveyed believe that the formation of the Single Market will create a Europe that is a more powerful force in world politics. The majority also believe that the growth in the European economy will speed up (although the percentage is much lower among Japanese executives than among EC and American executives -- 53% vs. 73% vs. 68%).

  These executives apparently see the Europe of 1992 as a vibrant and dynamic force -- both politically and economically.

- About half of those surveyed also believed that the following changes would occur:

  The prices Europeans pay for goods and services will decrease.

  Unemployment in Europe will be reduced in the long term.

  Thus, not only do these executives believe that 1992 will be good for business, some see additional benefits for the Europeans personally.

- Fewer than one in three of the executives surveyed believe that the Single Market will reduce the rate of inflation in Europe.

- Fewer than one in four believe that remaining cultural differences will ultimately bring about the downfall of a true single market.

- There are some detractors, however:

  -- As noted above, the Japanese are much less likely than their U.S. and European Community colleagues to believe that growth in the European economy will accelerate (53% vs. 68% vs. 73%) and are also less likely to believe that the variety of products offered to European consumers will increase (46% vs. 69% vs. 70%).

  At the same time, however, Japanese executives are more likely than their American and EC colleagues to believe that unemployment (64% vs. 47% vs. 44%) and the rate of inflation (32% vs. 25% vs. 23%) will be reduced.

  -- Executives in U.S. service companies are less likely than executives in U.S. industrial companies to believe that the growth of the European economy will accelerate (59% vs. 68% among large companies; 53% vs. 66% among mid-sized companies).

  -- Mid-sized U.S. service companies are less convinced than their larger counterparts that 1992 will bring increased product variety to the Europeans (60% vs. 72%) or a reduction in unemployment (34% vs. 45%).

- There is a very complex pattern in executives' expectations about the prices Europeans will pay for goods and services as a result of the Single Market -- there are area, sector and size differences occurring at the same time:

  -- Executives in U.S. industrial companies are more likely than executives in Japanese or European Community industrial companies to believe that the prices paid in Europe for goods and services will drop (64% vs. 48% vs. 43%).

  -- Executives in U.S. service companies are less likely than executives in U.S. industrial companies to believe that the prices Europeans pay for goods and services will decline (49% vs. 64% among large companies; 32% vs. 55% among mid-sized companies).

  -- Executives in mid-sized U.S. companies are less likely than executives in larger companies to believe that prices in Europe will drop (55% vs. 64% among industrial companies; 32% vs. 49% among service companies).

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET

(% Strongly Agree/Agree)

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
European firms will become more competitive with their U.S. and Japanese rivals	82%	88%	79%	85%
Small and medium-sized companies outside the European Community will have a more difficult time maintaining their European markets	78	73	51	76
Europe will become a more powerful force in world politics	74	68	72	74
There will be an increase in the variety of products available in Europe	69	72	46	70
There will continue to be rapid expansion of outside investment in Europe	69	66	65	78
The growth in the European economy will speed up	68	59	53	73
The prices Europeans pay for goods and services will decrease	64	49	48	43
European firms will increase their market share in the European market place	63	72	74	72

(Continued)

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET

(% Strongly Agree/Agree)

(Among FORTUNE 500 Companies Worldwide)

(Continued)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Small and medium-sized companies in Europe will have a more difficult time competing successfully	59%	43%	47%	52%
European firms will increase their exports to foreign markets	51	47	32	51
Unemployment in Europe will be reduced in the long term	47	45	64	44
European firms will increase their market share in the United States and Japan	28	30	14	34
The rate of inflation in Europe will be reduced	25	21	32	23
Remaining cultural differences in Europe will ultimately bring about the downfall of a true single market	21	18	8	11

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET

(% Strongly Agree/Agree)

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
European firms will become more competitive with their U.S. and Japanese rivals	85%	76%
Small and medium-sized companies outside the European Community will will have a more difficult time maintaining their European markets	71	64
Europe will become a more powerful force in world politics	66	60
There will be an increase in the variety of products available in Europe	62	60
There will continue to be rapid expansion of outside investment in Europe	58	58
The growth in the European economy will speed up	66	53
The prices Europeans pay for goods and services will decrease	55	32
European firms will increase their market share in the European market place	78	73

(Continued)

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET

(% Strongly Agree/Agree)

(Among Mid-Sized U.S. Companies)

(Continued)

	Industrial (103)	Service (106)
Small and medium-sized companies in Europe will have a more difficult time competing successfully	54%	43%
European firms will increase their exports to foreign markets	55	56
Unemployment in Europe will be reduced in the long term	40	34
European firms will increase their market share in the United States and Japan	31	40
The rate of inflation in Europe will be reduced	20	13
Remaining cultural differences in Europe will ultimately bring about the downfall of a true single market	24	19

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET:

"European firms will become more competitive with their U.S. and Japanese rivals"

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Strongly agree	11%	12%	15%	13%
Agree	71	76	64	72
Neither agree nor disagree	14	5	18	13
Disagree	3	3	2	1
Strongly disagree	--	--	--	--
No idea at all	1	4	1	1

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET:

"European firms will become more competitive with their U.S. and Japanese rivals"

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Strongly agree	17%	10%
Agree	68	66
Neither agree nor disagree	12	11
Disagree	1	2
Strongly disagree	--	--
No idea at all	2	11

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET:

"Small and medium-sized companies outside the European Community will have a more difficult time maintaining their European markets"

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Strongly agree	7%	7%	4%	7%
Agree	71	66	47	69
Neither agree nor disagree	9	14	34	13
Disagree	11	7	8	10
Strongly disagree	--	--	--	1
No idea at all	2	6	7	--

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET:

"Small and medium-sized companies outside the European Community will have a more difficult time maintaining their European markets"

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Strongly agree	11%	5%
Agree	60	59
Neither agree nor disagree	12	17
Disagree	14	9
Strongly disagree	1	--
No idea at all	2	10

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET:

"Europe will become a more powerful force in world politics"

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Strongly agree	11%	9%	9%	17%
Agree	63	59	63	57
Neither agree nor disagree	21	22	24	21
Disagree	3	5	2	5
Strongly disagree	--	1	--	--
No idea at all	2	4	2	--

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET:

"Europe will become a more powerful force in world politics"

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Strongly agree	14%	9%
Agree	52	51
Neither agree nor disagree	20	19
Disagree	11	10
Strongly disagree	--	--
No idea at all	3	11

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET:

"There will be an increase in the variety of products available in Europe"

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Strongly agree	8%	5%	2%	5%
Agree	61	67	44	65
Neither agree nor disagree	19	13	33	18
Disagree	10	8	17	12
Strongly disagree	--	--	1	--
No idea at all	2	7	3	--

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET:

"There will be an increase in the variety of products available in Europe"

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Strongly agree	6%	5%
Agree	56	55
Neither agree nor disagree	23	21
Disagree	12	8
Strongly disagree	--	--
No idea at all	3	11

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET:

"There will continue to be rapid expansion of outside investment in Europe"

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Strongly agree	6%	3%	2%	7%
Agree	63	63	63	71
Neither agree nor disagree	21	19	25	18
Disagree	7	5	8	1
Strongly disagree	1	--	--	1
No idea at all	2	10	2	2

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET:

"There will continue to be rapid expansion of outside investment in Europe"

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Strongly agree	4%	5%
Agree	54	53
Neither agree nor disagree	30	22
Disagree	9	9
Strongly disagree	--	--
No idea at all	3	11

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET:

"The growth in the European economy will speed up"

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Strongly agree	3%	3%	2%	8%
Agree	65	56	51	65
Neither agree nor disagree	26	28	44	23
Disagree	3	7	--	1
Strongly disagree	--	--	1	--
No idea at all	3	6	2	3

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET:

"The growth in the European economy will speed up"

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Strongly agree	5%	1%
Agree	61	52
Neither agree nor disagree	26	27
Disagree	5	7
Strongly disagree	--	--
No idea at all	3	13

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET:

"The prices Europeans pay for goods and services will decrease"

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Strongly agree	6%	2%	4%	4%
Agree	58	47	44	39
Neither agree nor disagree	23	27	36	41
Disagree	10	16	9	15
Strongly disagree	--	--	--	1
No idea at all	3	8	7	--

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET:

"The prices Europeans pay for goods and services will decrease"

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Strongly agree	6%	2%
Agree	49	30
Neither agree nor disagree	26	31
Disagree	14	25
Strongly disagree	1	--
No idea at all	4	12

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET:

"European firms will increase their market share in the European market place"

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Strongly agree	12%	12%	17%	11%
Agree	51	60	57	61
Neither agree nor disagree	28	21	23	25
Disagree	5	4	2	2
Strongly disagree	--	--	--	--
No idea at all	4	3	1	1

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET:

"European firms will increase their market share in the European market place"

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Strongly agree	17%	11%
Agree	61	62
Neither agree nor disagree	18	16
Disagree	2	2
Strongly disagree	--	--
No idea at all	2	9

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET:

"Small and medium-sized companies in Europe
will have a more difficult time competing successfully"

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Strongly agree	7%	5%	10%	5%
Agree	52	38	37	47
Neither agree nor disagree	21	18	33	13
Disagree	18	30	12	33
Strongly disagree	1	2	--	2
No idea at all	1	7	8	--

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET:

"Small and medium-sized companies in Europe
will have a more difficult time competing successfully"

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Strongly agree	11%	4%
Agree	43	39
Neither agree nor disagree	23	25
Disagree	17	19
Strongly disagree	2	2
No idea at all	4	11

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET:

"European firms will increase their exports to foreign markets"

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Strongly agree	3%	2%	1%	4%
Agree	48	45	31	47
Neither agree nor disagree	34	33	52	33
Disagree	13	15	11	11
Strongly disagree	1	--	1	--
No idea at all	1	5	4	5

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET:

"European firms will increase their exports to foreign markets"

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Strongly agree	2%	7%
Agree	53	49
Neither agree nor disagree	34	23
Disagree	9	11
Strongly disagree	--	1
No idea at all	2	9

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET:

"Unemployment in Europe will be reduced in the long term"

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Strongly agree	1%	2%	2%	1%
Agree	46	43	62	43
Neither agree nor disagree	31	27	30	28
Disagree	15	17	3	22
Strongly disagree	1	--	--	1
No idea at all	6	11	3	5

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET:

"Unemployment in Europe will be reduced in the long term"

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Strongly agree	3%	2%
Agree	37	32
Neither agree nor disagree	38	29
Disagree	13	21
Strongly disagree	4	--
No idea at all	5	16

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET:

"European firms will increase their market share in the United States and Japan"

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Strongly agree	3%	1%	1%	4%
Agree	25	29	13	30
Neither agree nor disagree	49	44	55	49
Disagree	19	19	28	13
Strongly disagree	1	--	1	--
No idea at all	3	7	2	4

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET:

"European firms will increase their market share in the United States and Japan"

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Strongly agree	2%	6%
Agree	29	34
Neither agree nor disagree	48	35
Disagree	18	15
Strongly disagree	--	1
No idea at all	3	9

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET:

"The rate of inflation in Europe will be reduced"

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Strongly agree	1%	1%	1%	1%
Agree	24	20	31	22
Neither agree nor disagree	50	48	50	49
Disagree	15	16	12	22
Strongly disagree	1	--	--	--
No idea at all	9	15	6	6

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET:

"The rate of inflation in Europe will be reduced"

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Strongly agree	3%	--%
Agree	17	13
Neither agree nor disagree	51	47
Disagree	21	19
Strongly disagree	--	--
No idea at all	8	21

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET:

"Remaining cultural differences in Europe will ultimately bring about the downfall of a true single market"

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Strongly agree	3%	2%	--%	--%
Agree	18	16	8	11
Neither agree nor disagree	31	33	37	25
Disagree	42	37	36	54
Strongly disagree	2	5	3	8
No idea at all	4	7	16	2

PERCEIVED CONSEQUENCES OF A SINGLE EUROPEAN MARKET:

"Remaining cultural differences in Europe will ultimately bring about the downfall of a true single market"

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Strongly agree	2%	--%
Agree	22	19
Neither agree nor disagree	33	25
Disagree	35	40
Strongly disagree	4	3
No idea at all	4	13

SECTION E

European Community Protectionism

Businesses around the world are deeply concerned about whether they will be allowed easy access to the new Single Market.

Amount Of Protectionism Expected

Two questions were used to measure executives' predictions about how protectionist the European Community will be. One question asked about protectionism in the short-term -- between now and 1992. The other asked about protectionism in the long-term -- from 1992 into the future.

- Three-quarters of the Japanese executives surveyed (74%) expect that the European Community will be more protectionist between now and 1992, and two in three (67%) expect that the European Community will grow in its protectionism over the long-term.

- About six in ten American executives surveyed (62%) expect more protectionism from the European Community in the short-term and about four in ten (44%) expect this protectionism to expand after 1992.

- From the other side of the "fortress wall," only a minority of executives in European Community companies think that the EC will become more protectionist in the short-term (39%) or in the long-term (23%).

- There are no substantial sector or company-size differences in U.S. executives' expectations about EC protectionism.

Consequences Of Protectionism

Each executive surveyed was asked to indicate who would be most hurt by Europe's protectionism -- American business, European business or Japanese business -- if it were to occur.

- The majority of executives believe that Japanese business would be most hurt by Europe's protectionism. Japanese business executives (65%) are even more likely than American (53%) and EC (57%) executives to believe that their business will be hurt.

- Far fewer -- one in four American business executives (24%), one in five Japanese executives (21%) and one in eight European executives (12%) -- believe that American business will be hurt.

- Only 15% of American business executives and 8% of Japanese executives believe that European business will be hurt, contrasted with 22% of EC executives who believe that European business will suffer from a protectionist policy.

- There are no major sector differences in perceptions of who will be most affected by protectionism.

- Executives in mid-sized industrial companies are more likely to think that American business will be affected by protectionism than are those in large industrial companies (34% vs. 24%).

As these results indicate, there is considerable consensus that if protectionist measures are enacted by the European Community, the greatest harm will be done to Japanese business.

Protectionist Measures Expected

Business leaders were asked to indicate how likely they thought Europe would be to enact seven specific protectionist measures.

- Almost all executives think it is likely that Europe will demand reciprocity, requiring that foreign markets be as open to European products/services as European markets will be to foreign products/services (Japanese executives -- 97%; American executives -- 87%; EC executives -- 85%).

- A substantial majority of American and Japanese executives (78% and 79%) believe that Europe will enact strong anti-dumping measures. EC executives are less certain (63%).

- There are strong geographic differences in the perceived likelihood of import quotas. Two in three Japanese executives (67%), compared to only four in ten American executives (41%) and one in four EC executives (23%) believe it is likely that import quotas will be established to protect the Single Market.

- Two or three in ten of the executives surveyed believe that technical barriers will be increased (American executives -- 31%; Japanese executives -- 24%; EC executives -- 19%).

- One in four Japanese executives (24%) believes it is likely that the EC will deny existing subsidiaries of foreign companies operating in Europe the rights enjoyed by European companies. In contrast, the proportions among other executives believing this is likely are much smaller (Americans -- 8%; Europeans -- 2%).

- Only about one in ten of the executives surveyed thinks it is likely that the European Community will deny foreign companies the right to establish new subsidiaries in Europe or will increase delays at borders.

- There are no sizeable sector or company-size differences in U.S. executives' expectations about the types of protectionist measures that the European Community is likely to enact.

EXPECTATION OF HOW PROTECTIONIST
EUROPE WILL BE TOWARD OUTSIDE COUNTRIES

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
BY THE END OF 1992:				
More protectionist	62%	55%	74%	39%
Much more protectionist	7	7	10	--
Somewhat more protectionist	55	48	64	39
Stay about the same	28	30	18	48
Less protectionist	4	11	6	12
Somewhat less protectionist	3	9	6	11
Much less protectionist	1	2	--	1
No idea at all	6	4	2	1
More vs. less protectionist	+58	+44	+68	+27
OVER THE LONG-TERM AFTER 1992:				
More protectionist	44%	42%	67%	23%
Much more protectionist	5	2	8	--
Somewhat more protectionist	39	40	59	23
Stay about the same	37	33	20	48
Less protectionist	15	21	13	25
Somewhat less protectionist	14	19	12	21
Much less protectionist	1	2	1	4
No idea at all	4	4	--	4
More vs. less protectionist	+29	+21	+54	-2

EXPECTATION OF HOW PROTECTIONIST
EUROPE WILL BE TOWARD OUTSIDE COUNTRIES

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
BY THE END OF 1992:		
More protectionist	59%	54%
Much more protectionist	4	3
Somewhat more protectionist	55	51
Stay about the same	27	24
Less protectionist	10	6
Somewhat less protectionist	9	5
Much less protectionist	1	1
No idea at all	4	16
More vs. less protectionist	+49	+48
OVER THE LONG-TERM AFTER 1992:		
More protectionist	40%	44%
Much more protectionist	4	1
Somewhat more protectionist	36	43
Stay about the same	36	36
Less protectionist	22	9
Somewhat less protectionist	21	9
Much less protectionist	1	--
No idea at all	2	11
More vs. less protectionist	+18	+35

BUSINESS EXPECTED TO BE MOST HURT
BY POSSIBILITY OF EUROPE'S PROTECTIONISM

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Japanese business	53%	52%	65%	57%
American business	24	26	21	12
European business	15	14	8	22
No idea at all	8	8	6	9

BUSINESS EXPECTED TO BE MOST HURT
BY POSSIBILITY OF EUROPE'S PROTECTIONISM

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Japanese business	47%	43%
American business	34	28
European business	11	14
No idea at all	8	15

LIKELIHOOD OF EUROPE ENACTING
PARTICULAR PROTECTIONIST MEASURES

(% Very/Fairly Likely)

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Require that foreign markets be as open to European products/services as European markets will be to foreign products/ services	87%	81%	97%	85%
Enact strong anti-dumping measures	78	70	79	63
Establish import quotas	41	37	67	23
Increase technical barriers	31	29	24	19
Deny foreign companies the right to establish new subsidiaries in Europe	10	14	13	1
Increase delays at borders	10	13	8	6
Deny existing subsidiaries of foreign companies operating in Europe the rights enjoyed by European companies	8	16	24	2

LIKELIHOOD OF EUROPE ENACTING
PARTICULAR PROTECTIONIST MEASURES

(% Very/Fairly Likely)

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Require that foreign markets be as open to European products/services as European markets will be to foreign products/services	82%	75%
Enact strong anti-dumping measures	81	68
Establish import quotas	41	45
Increase technical barriers	34	27
Deny foreign companies the right to establish new subsidiaries in Europe	10	7
Increase delays at borders	18	10
Deny existing subsidiaries of foreign companies operating in Europe the rights enjoyed by European companies	8	11

LIKELIHOOD OF EUROPE REQUIRING THAT FOREIGN MARKETS
BE AS OPEN TO EUROPEAN PRODUCTS/SERVICES
AS EUROPEAN MARKETS WILL BE TO FOREIGN PRODUCTS/SERVICES

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Very likely	24%	30%	50%	28%
Fairly likely	63	51	47	57
Not too likely	7	9	1	12
Not at all likely	1	1	--	--
No idea at all	5	9	2	3

LIKELIHOOD OF EUROPE REQUIRING THAT FOREIGN MARKETS
BE AS OPEN TO EUROPEAN PRODUCTS/SERVICES
AS EUROPEAN MARKETS WILL BE TO FOREIGN PRODUCTS/SERVICES

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Very likely	29%	21%
Fairly likely	53	54
Not too likely	10	5
Not at all likely	2	3
No idea at all	6	17

LIKELIHOOD OF EUROPE ENACTING STRONG ANTI-DUMPING MEASURES

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Very likely	18%	11%	17%	10%
Fairly likely	60	59	62	53
Not too likely	13	16	6	25
Not at all likely	2	1	--	7
No idea at all	7	13	5	5

LIKELIHOOD OF EUROPE ENACTING STRONG ANTI-DUMPING MEASURES

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Very likely	21%	11%
Fairly likely	60	57
Not too likely	13	12
Not at all likely	--	1
No idea at all	6	19

LIKELIHOOD OF EUROPE ESTABLISHING IMPORT QUOTAS

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Very likely	5%	2%	10%	4%
Fairly likely	36	35	57	19
Not too likely	47	44	28	54
Not at all likely	6	4	1	18
No idea at all	6	15	4	5

LIKELIHOOD OF EUROPE ESTABLISHING IMPORT QUOTAS

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Very likely	4%	1%
Fairly likely	37	44
Not too likely	43	32
Not at all likely	7	5
No idea at all	9	18

LIKELIHOOD OF EUROPE INCREASING TECHNICAL BARRIERS

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Very likely	5%	2%	--%	--%
Fairly likely	26	27	24	19
Not too likely	42	39	53	52
Not at all likely	22	19	18	24
No idea at all	5	13	5	5

LIKELIHOOD OF EUROPE INCREASING TECHNICAL BARRIERS

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Very likely	4%	1%
Fairly likely	30	26
Not too likely	28	33
Not at all likely	30	18
No idea at all	8	22

LIKELIHOOD OF EUROPE DENYING FOREIGN COMPANIES
THE RIGHT TO ESTABLISH NEW SUBSIDIARIES IN EUROPE

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Very likely	2%	1%	2%	1%
Fairly likely	8	13	11	--
Not too likely	47	50	53	25
Not at all likely	39	27	31	68
No idea at all	4	9	3	6

LIKELIHOOD OF EUROPE DENYING FOREIGN COMPANIES
THE RIGHT TO ESTABLISH NEW SUBSIDIARIES IN EUROPE

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Very likely	--%	--%
Fairly likely	10	7
Not too likely	44	56
Not at all likely	42	18
No idea at all	4	19

LIKELIHOOD OF EUROPE INCREASING DELAYS AT BORDERS

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Very likely	1%	1%	--%	--%
Fairly likely	9	12	8	6
Not too likely	45	44	59	45
Not at all likely	39	31	22	46
No idea at all	6	12	11	3

LIKELIHOOD OF EUROPE INCREASING DELAYS AT BORDERS

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Very likely	2%	1%
Fairly likely	16	9
Not too likely	32	40
Not at all likely	40	28
No idea at all	10	22

LIKELIHOOD OF EUROPE DENYING EXISTING SUBSIDIARIES
OF FOREIGN COMPANIES OPERATING IN EUROPE
THE RIGHTS ENJOYED BY EUROPEAN COMPANIES

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Very likely	1%	2%	2%	--%
Fairly likely	7	14	22	2
Not too likely	60	56	65	41
Not at all likely	27	19	7	52
No idea at all	5	9	4	5

LIKELIHOOD OF EUROPE DENYING EXISTING SUBSIDIARIES
OF FOREIGN COMPANIES OPERATING IN EUROPE
THE RIGHTS ENJOYED BY EUROPEAN COMPANIES

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Very likely	--%	2%
Fairly likely	8	9
Not too likely	59	54
Not at all likely	27	15
No idea at all	6	20

SECTION F

Impact Of The Single European Market On The Company And Industry

Understanding Of The Corporate Implications Of 1992

- Most executives surveyed do not claim to have an extremely strong understanding of the impact of the Single European Market on their company. Only 54% of those executives in European Community companies, 39% of those in American companies and 17% of those in Japanese companies believe that the senior management of their company understands the impact of a unified market "very well." Most executives say their senior management understands the impact "fairly well."

  Note that executives in the European Community claim better understanding than do Americans, who in turn lead the Japanese.

- Executives of U.S. industrial companies are more likely to say their senior managers are knowledgeable about the impact of 1992 than are executives of U.S. service companies (82% very/fairly vs. 66% among large companies; 79% very/fairly vs. 52% among mid-sized companies).

- Executives in large service U.S. companies are more likely to say their senior managers understand the implications of the Single Market than are executives of mid-sized service U.S. companies (66% very/fairly vs. 52%).

Expected Impact Of 1992 On The Company

- A large majority of the business executives surveyed expect their company to be affected by the formation of the Single Market. Not surprisingly, executives in European Community companies are more likely to expect that a single European market will affect their company than are executives in either Japanese or American companies (79% substantial/moderate impact vs. 66% vs. 62%).

- U.S. industrial companies are more likely to expect to be affected than are U.S. service companies (62% substantial/moderate impact vs. 31% among large companies; 54% substantial/moderate impact vs. 29% among mid-sized companies).

- There are no significant company-size differences in the anticipated impact of 1992 on the company.

Company Functions Affected By A Single European Market

Executives who said their companies would be affected by the formation of a single European market were asked to indicate the extent to which seven functions in their company would be affected.

- The largest majority of executives believe that their sales/distribution operations (81% substantial/moderate impact among EC companies; 72% among Japanese companies; 68% among U.S. companies) and marketing functions (84% substantial/moderate impact among EC companies; 67% among U.S. companies; 63% among Japanese companies) will be affected.

- More than half of the business executives surveyed expect their operations/manufacturing functions to change (65% substantial/moderate impact among Japanese companies; 64% among EC companies; 53% among American companies).

- Company finance is expected to be affected by about half of those surveyed (49% substantial/moderate impact among American, Japanese and EC companies).

- Research and development (52% substantial/moderate impact among EC companies; 45% among Japanese companies; 38% among American companies) and human resources (59% substantial/moderate impact among EC companies; 31% among Japanese and American companies) are less often expected to be affected by the formation of the Single Market.

- The general pattern in these findings, not surprisingly, is to expect the operations of EC companies to be more affected than the operations of American and Japanese companies. There is an interesting exception:

  -- Japanese companies are as likely as EC companies to expect their operations/manufacturing to be affected by the Single Market (24% and 23% expect a substantial impact). As described in detail in Section G, large proportions of Japanese companies -- especially in comparison with American and EC companies -- are expanding and reorganizing their European operations to increase their presence in Europe. This unparalleled European expansion on the part of Japanese companies is undoubtedly the result of the anticipated consequences of European protectionism -- reciprocity requirements, anti-dumping measures and import quotas -- on Japanese business (see Section E).

  In addition, Japanese companies are much less likely to have their management reorganized as a result of 1992 than are European or American companies (32% vs. 68% vs. 53%), undoubtedly because Japanese companies tend to manage their European operations from corporate headquarters (see Section B).

- The functions of U.S. industrial companies are more likely to be affected by the formation of the Single Market than are the functions of U.S. service companies.

Understanding Of The Industry Implications Of 1992

- Most executives surveyed are reluctant to say their senior management completely understands the implications of 1992 for their industry. Only about half of the executives of EC companies (54%), a third of American executives (32%) and a tenth (10%) of Japanese executives claim that their senior management understands the industry implications of the Single Market "very well." Most executives, instead, say their senior management understands the consequences "fairly well."

- The patterns that occur for senior managements' understanding of the industry implications mirror the patterns for senior managements' understanding of the corporate implications discussed at the beginning of this section:

  -- European Community executives lead in their understanding, followed by Americans and then by the Japanese.

  -- Executives of U.S. industrial companies are more likely to understand the impact of 1992 on their industry than are executives of U.S. service companies (82% very/fairly well vs. 62% among large companies; 81% very/fairly well vs. 51% among mid-sized companies).

  -- Executives in large service U.S. companies are more likely to say their senior managers understand the implications of a Single Market on their industry than are executives of mid-sized service U.S. companies (62% very/fairly vs. 51%).

Expected Impact Of 1992 On The Industry

- The majority of executives in European Community and American companies believe that the formation of a single European market will benefit their industry (77% and 63%), although the EC executives are more likely than the Americans to believe that their industry will benefit. In contrast, Japanese executives are divided in their opinions -- 39% believe that their industry will benefit while 34% believe that their industry will be harmed. This is not surprising in light of the anticipated consequences of EC protectionism for Japanese business (see Section E).

- Executives in U.S. industrial companies are more likely than executives in U.S. service companies to see a positive result for their industry stemming from the formation of the Single Market (63% vs. 41% among large companies; 54% vs. 32% among mid-sized companies). Service company executives are much more likely than industrial company executives to believe that their industry will not be affected by 1992 (37% vs. 13% among large companies; 32% vs. 18% among mid-sized companies).

- More executives in large U.S companies than in mid-sized U.S. companies believe that their industry will be helped (63% vs. 54% among industrial companies; 41% vs. 32% among service companies).

Actions Desired From The European Community

Executives who indicated their company would be affected by 1992 were asked which of the actions the European Community could take as part of creating the Single Market would be most important to their company.

- The largest proportions of executives in industrial companies believe that the technical standardization, testing and certification of products is one of the most important actions the European Community could take in forming the Single Market (85% among EC executives; 74% among U.S. executives; 63% among Japanese executives). A substantial proportion of executives, particularly Americans, also consider the easy movement of goods (68% among Americans; 59% among Japanese; 50% among Europeans) an important element of the Single Market.

- Of actions thought important by fewer than half of the industrial company executives surveyed, about one out of three believe a common currency to be important (37% among Americans; 32% among Europeans; 31% among Japanese) and about one out of five believe opening the public/government procurement process to be important (28% among Europeans; 21% among Americans; 15% among Japanese). Responses to other possible actions show strong geographic variation:

  -- European Community executives are much more interested in the harmonization of value-added taxes (VAT) and excise rates (51%) than are American (35%) or Japanese (30%) executives.

  Although at low levels overall, European Community executives are more likely (23%) than the Japanese (12%) or American (11%) executives to believe the broadening of European social/labor rights is important.

  European Community executives are less interested in the easy movement of capital (17%) than are Japanese (35%) or American (29%) executives.

  -- The Japanese are much more likely to be interested in the creation of European Community patents and industrial protection (49%), followed by the Americans (36%) and then the Europeans (27%).

  The Japanese are much less likely to be interested in the harmonization of health and safety standards (23%) than are the Americans (35%) and Europeans (33%).

- Executives in large industrial U.S. companies are more likely than executives in mid-sized industrial companies to believe that the harmonization of health and safety standards would be important to their company (35% vs. 22%).

- Executives of large U.S. service companies are the most likely to say that easy movement of capital (61%) and a common currency (51%) are important steps in the creation of the Single Market. Service companies are, of course, much less interested than industrial companies in actions that relate directly and only to manufacturing (e.g., technical standardization, easy movement of goods, European Community patents and industrial protection).

Competitors' Understanding Of 1992

The questionnaire asked executives to estimate how well their American, European and Japanese competitors understand the implications of a single European market.

- All of the groups of executives surveyed are most likely to believe that their European Community competitors are the most knowledgeable about the implications of 1992, followed by (except for the Japanese) their Japanese competitors and then their American competitors. The Japanese are more likely to believe that their American competitors lead the Japanese in understanding.

A detailed analysis of the results suggests that there has been a global game of "fake out" -- executives are more likely to believe that their competitors understand the implications of 1992 than their competitors are to claim such understanding for themselves:

- Only 11% of the American executives surveyed believe that their American competitors understand the implications of 1992 very well, while 29% of the Japanese executives surveyed believe that Americans understand the implications very well. European Community executives are more accurate in their perceptions: only 8% say that the Americans understand the implications very well.

- More than six in ten American and Japanese executives (62% and 65%) believe that their European competitors have a good understanding of the implications of 1992, while only four in ten (42%) European Community executives claim their EC competitors have such a good understanding.

- When evaluating the understanding of their Japanese competitors, four in ten Americans (40%) and one in three European Community executives (33%) believe that the Japanese understand the implications of 1992 very well, while only one in ten Japanese executives (11%) think their Japanese competitors understand the implications very well.

There are some sector and size patterns in the responses of U.S. executives:

- Service executives are more likely than industry executives to say that they do not have European and Japanese competitors (for European competitors -- 14% vs. 2% among large companies and 19% vs. 3% among mid-sized companies; for Japanese competitors -- 18% vs. 6% among large companies and 21% vs. 12% among mid-sized companies).

- Executives in industrial companies are more likely to think their American competitors understand the implications of the Single Market than are executives in service companies (68% very/fairly well vs. 54% among large companies; 61% very/fairly well vs. 37% among mid-sized companies).

- American executives in large service companies are more apt to think their American competitors understand the implications of 1992 than are executives in mid-sized service companies (54% very/fairly well vs. 37%).

EXTENT TO WHICH SENIOR MANAGEMENT UNDERSTANDS
THE IMPLICATIONS OF A SINGLE EUROPEAN MARKET
FOR THEIR COMPANY

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Very well	39%	24%	17%	54%
Fairly well	43	42	59	46
Not too well	17	27	24	--
Not at all well	1	7	--	--

EXTENT TO WHICH SENIOR MANAGEMENT UNDERSTANDS
THE IMPLICATIONS OF A SINGLE EUROPEAN MARKET
FOR THEIR COMPANY

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Very well	36%	19%
Fairly well	43	33
Not too well	18	37
Not at all well	3	10
No answer	--	1

EXPECTED IMPACT OF THE FORMATION
OF A SINGLE EUROPEAN MARKET
ON THEIR COMPANY IN THE NEXT FIVE YEARS

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
A substantial impact	20%	9%	22%	25%
A moderate impact	42	22	44	54
A slight impact	26	35	20	15
No impact at all	9	29	7	1
No idea at all	3	5	7	5

EXPECTED IMPACT OF THE FORMATION
OF A SINGLE EUROPEAN MARKET
ON THEIR COMPANY IN THE NEXT FIVE YEARS

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
A substantial impact	15%	6%
A moderate impact	39	23
A slight impact	30	26
No impact at all	14	31
No idea at all	2	14

EXPECTED IMPACT OF THE FORMATION
OF A SINGLE EUROPEAN MARKET
ON THEIR COMPANY FUNCTIONS

(% Substantial/Moderate Impact)

(Among FORTUNE 500 Companies Worldwide
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

	U.S. Industrial (153)	U.S. Service (89)	Japan Industrial (78)	EC Industrial (78)
Sales/distribution	68%	36%	72%	81%
Marketing	67	42	63	84
Operations/manufacturing	53	12	65	64
Management	53	25	32	68
Finance	49	41	49	49
Research and development	38	29	45	52
Human resources	31	20	31	59

EXPECTED IMPACT OF THE FORMATION
OF A SINGLE EUROPEAN MARKET
ON THEIR COMPANY FUNCTIONS

(% Substantial/Moderate Impact)

(Among Mid-Sized U.S. Companies
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

	Industrial (86)	Service (57)*
Sales/distribution	66%	44%
Marketing	70	49
Operations/manufacturing	43	26
Management	48	40
Finance	44	53
Research and development	32	28
Human resources	20	23

* Small base size; interpret with caution.

EXPECTED IMPACT OF THE FORMATION
OF A SINGLE EUROPEAN MARKET
ON THEIR COMPANY SALES/DISTRIBUTION

(Among FORTUNE 500 Companies Worldwide
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

	U.S. Industrial (153)	U.S. Service (89)	Japan Industrial (78)	EC Industrial (78)
A substantial impact	29%	10%	31%	46%
A moderate impact	39	26	41	35
A slight impact	21	37	19	13
No impact at all	8	21	3	4
No idea at all	3	6	6	2

EXPECTED IMPACT OF THE FORMATION
OF A SINGLE EUROPEAN MARKET
ON THEIR COMPANY SALES/DISTRIBUTION

(Among Mid-Sized U.S. Companies
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

	Industrial (86)	Service (57)*
A substantial impact	28%	18%
A moderate impact	38	26
A slight impact	23	25
No impact at all	11	25
No idea at all	--	6

* Small base size; interpret with caution.

EXPECTED IMPACT OF THE FORMATION
OF A SINGLE EUROPEAN MARKET
ON THEIR COMPANY MARKETING

(Among FORTUNE 500 Companies Worldwide
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

	U.S. Industrial (153)	U.S. Service (89)	Japan Industrial (78)	EC Industrial (78)
A substantial impact	29%	16%	27%	44%
A moderate impact	38	26	36	40
A slight impact	26	42	31	13
No impact at all	5	15	5	3
No idea at all	2	1	1	--

EXPECTED IMPACT OF THE FORMATION
OF A SINGLE EUROPEAN MARKET
ON THEIR COMPANY MARKETING

(Among Mid-Sized U.S. Companies
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

	Industrial (86)	Service (57)*
A substantial impact	30%	21%
A moderate impact	40	28
A slight impact	22	32
No impact at all	7	16
No idea at all	1	3

* Small base size; interpret with caution.

EXPECTED IMPACT OF THE FORMATION
OF A SINGLE EUROPEAN MARKET
ON THEIR COMPANY OPERATIONS/MANUFACTURING

(Among FORTUNE 500 Companies Worldwide
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

	U.S. Industrial (153)	U.S. Service (89)	Japan Industrial (78)	EC Industrial (78)
A substantial impact	12%	6%	24%	23%
A moderate impact	41	6	41	41
A slight impact	33	28	24	26
No impact at all	12	47	5	8
No idea at all	2	13	6	2

EXPECTED IMPACT OF THE FORMATION
OF A SINGLE EUROPEAN MARKET
ON THEIR COMPANY OPERATIONS/MANUFACTURING

(Among Mid-Sized U.S. Companies
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

	Industrial (86)	Service (57)*
A substantial impact	16%	7%
A moderate impact	27	19
A slight impact	33	23
No impact at all	23	42
No idea at all	1	9

* Small base size; interpret with caution.

EXPECTED IMPACT OF THE FORMATION
OF A SINGLE EUROPEAN MARKET
ON THEIR COMPANY MANAGEMENT

(Among FORTUNE 500 Companies Worldwide
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

	U.S. Industrial (153)	U.S. Service (89)	Japan Industrial (78)	EC Industrial (78)
A substantial impact	16%	9%	5%	24%
A moderate impact	37	16	27	44
A slight impact	31	35	30	22
No impact at all	12	36	28	9
No idea at all	4	4	10	1

EXPECTED IMPACT OF THE FORMATION
OF A SINGLE EUROPEAN MARKET
ON THEIR COMPANY MANAGEMENT

(Among Mid-Sized U.S. Companies
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

	Industrial (86)	Service (57)*
A substantial impact	13%	14%
A moderate impact	35	26
A slight impact	31	32
No impact at all	21	26
No idea at all	--	2

* Small base size; interpret with caution.

EXPECTED IMPACT OF THE FORMATION
OF A SINGLE EUROPEAN MARKET
ON THEIR COMPANY FINANCE

(Among FORTUNE 500 Companies Worldwide
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

	U.S. Industrial (153)	U.S. Service (89)	Japan Industrial (78)	EC Industrial (78)
A substantial impact	12%	11%	14%	13%
A moderate impact	37	30	35	36
A slight impact	35	43	33	35
No impact at all	15	15	6	14
No idea at all	1	1	12	2

EXPECTED IMPACT OF THE FORMATION
OF A SINGLE EUROPEAN MARKET
ON THEIR COMPANY FINANCE

(Among Mid-Sized U.S. Companies
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

	Industrial (86)	Service (57)*
A substantial impact	13%	9%
A moderate impact	31	44
A slight impact	40	32
No impact at all	16	14
No idea at all	--	1

* Small base size; interpret with caution.

EXPECTED IMPACT OF THE FORMATION
OF A SINGLE EUROPEAN MARKET
ON THEIR COMPANY RESEARCH AND DEVELOPMENT

(Among FORTUNE 500 Companies Worldwide
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

	U.S. Industrial (153)	U.S. Service (89)	Japan Industrial (78)	EC Industrial (78)
A substantial impact	7%	3%	9%	12%
A moderate impact	31	26	36	40
A slight impact	36	18	37	28
No impact at all	22	44	13	18
No idea at all	4	9	5	2

EXPECTED IMPACT OF THE FORMATION
OF A SINGLE EUROPEAN MARKET
ON THEIR COMPANY RESEARCH AND DEVELOPMENT

(Among Mid-Sized U.S. Companies
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

	Industrial (86)	Service (57)*
A substantial impact	8%	7%
A moderate impact	24	21
A slight impact	40	26
No impact at all	28	44
No idea at all	--	2

* Small base size; interpret with caution.

EXPECTED IMPACT OF THE FORMATION
OF A SINGLE EUROPEAN MARKET
ON THEIR COMPANY HUMAN RESOURCES

(Among FORTUNE 500 Companies Worldwide
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

	U.S. Industrial (153)	U.S. Service (89)	Japan Industrial (78)	EC Industrial (78)
A substantial impact	5%	8%	9%	15%
A moderate impact	26	12	22	44
A slight impact	43	25	37	28
No impact at all	26	52	22	12
No idea at all	--	3	10	1

EXPECTED IMPACT OF THE FORMATION
OF A SINGLE EUROPEAN MARKET
ON THEIR COMPANY HUMAN RESOURCES

(Among Mid-Sized U.S. Companies
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

	Industrial (86)	Service (57)*
A substantial impact	5%	2%
A moderate impact	15	21
A slight impact	42	46
No impact at all	36	30
No idea at all	2	1

* Small base size; interpret with caution.

EXTENT TO WHICH SENIOR MANAGEMENT UNDERSTANDS
THE IMPLICATIONS OF A SINGLE EUROPEAN MARKET
FOR THEIR INDUSTRY

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Very well	32%	23%	10%	54%
Fairly well	50	39	67	45
Not too well	18	32	23	1
Not at all well	--	5	--	--
No answer	--	1	--	--

EXTENT TO WHICH SENIOR MANAGEMENT UNDERSTANDS
THE IMPLICATIONS OF A SINGLE EUROPEAN MARKET
FOR THEIR INDUSTRY

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Very well	30%	18%
Fairly well	51	33
Not too well	18	42
Not at all well	1	7

EXPECTED IMPACT OF THE FORMATION
OF A SINGLE EUROPEAN MARKET
ON THEIR INDUSTRY

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Industry will benefit:	63%	41%	39%	77%
Benefit greatly	7	5	2	8
Benefit somewhat	56	36	37	69
Industry will not be affected at all	13	37	13	8
Industry will be harmed:	18	15	34	11
Harmed somewhat	16	15	33	11
Harmed greatly	2	--	1	--
No idea at all	6	7	14	4
Benefited vs. harmed	+45	+26	+5	+66

EXPECTED IMPACT OF THE FORMATION
OF A SINGLE EUROPEAN MARKET
ON THEIR INDUSTRY

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Industry will benefit:	54%	32%
Benefit greatly	7	2
Benefit somewhat	47	30
Industry will not be affected at all	18	32
Industry will be harmed:	24	15
Harmed somewhat	24	15
Harmed greatly	--	--
No idea at all	4	21
Benefited vs. harmed	+30	+17

MOST IMPORTANT ACTIONS THE EUROPEAN COMMUNITY
COULD TAKE THAT WOULD AFFECT COMPANY

(Among FORTUNE 500 Companies Worldwide
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

	U.S. Industrial (153)	U.S. Service (89)	Japan Industrial (78)	EC Industrial (78)
Technical standardization/ testing/certification of products	74%	27%	63%	85%
Easy movement of goods	68	36	59	50
A common currency	37	51	31	32
Creating European Community patents and industrial protection	36	9	49	27
Harmonization of value-added taxes (VAT) and excise rates	35	21	30	51
Harmonization of health and safety standards	35	14	23	33
Easy movement of capital	29	61	35	17
Opening up of the public/ government procurement process	21	21	15	28
Broadening of European social/labor rights	11	10	12	23
None of the above	2	9	5	3

MOST IMPORTANT ACTIONS THE EUROPEAN COMMUNITY
COULD TAKE THAT WOULD AFFECT COMPANY

(Among Mid-Sized U.S. Companies
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

	Industrial (86)	Service (57)*
Technical standardization/testing/ certification of products	69%	21%
Easy movement of goods	70	30
A common currency	38	51
Creating European Community patents and industrial protection	38	7
Harmonization of value-added taxes (VAT) and excise rates	40	25
Harmonization of health and safety standards	22	16
Easy movement of capital	23	58
Opening up of the public/government procurement process	22	25
Broadening of European social/labor rights	5	5
None of the above	4	11

* Small base size; interpret with caution.

EXTENT TO WHICH COMPETITORS UNDERSTAND
THE IMPLICATIONS OF A SINGLE EUROPEAN MARKET

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Understanding Of AMERICAN Competitors:				
Very well	11%	8%	29%	8%
Fairly well	57	46	51	54
Not too well	27	25	14	30
Not at all well	2	10	1	4
No idea at all	2	9	4	1
Do not have competitors from this area	1	2	1	3
Understanding Of EUROPEAN Competitors:				
Very well	62%	45%	65%	42%
Fairly well	28	31	32	52
Not too well	5	5	--	6
Not at all well	1	1	--	--
No idea at all	2	4	2	--
Do not have competitors from this area	2	14	1	--
Understanding Of JAPANESE Competitors:				
Very well	40%	30%	11%	33%
Fairly well	35	39	62	41
Not too well	11	6	22	16
Not at all well	1	2	--	--
No idea at all	7	5	5	--
Do not have competitors from this area	6	18	--	10

EXTENT TO WHICH COMPETITORS UNDERSTAND
THE IMPLICATIONS OF A SINGLE EUROPEAN MARKET

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Understanding Of AMERICAN Competitors:		
Very well	9%	8%
Fairly well	52	29
Not too well	32	38
Not at all well	4	12
No idea at all	3	10
Do not have competitors from this area	--	3
Understanding Of EUROPEAN Competitors:		
Very well	58%	38%
Fairly well	34	27
Not too well	--	3
Not at all well	1	2
No idea at all	4	11
Do not have competitors from this area	3	19
Understanding Of JAPANESE Competitors:		
Very well	33%	31%
Fairly well	33	29
Not too well	10	5
Not at all well	4	1
No idea at all	8	13
Do not have competitors from this area	12	21

SECTION G

Corporate Response To The Single European Market

Potential Advantages Of The Single Market

Executives who believe their company will be affected by the events surrounding 1992 were asked about the benefits the Single Market would present for their company.

- The majority of the executives in industrial companies expect the Single Market to bring an expanded market for their company's products/services (62% among EC executives; 60% among American executives; 55% among Japanese executives).

  About four in ten expect that the Single Market will launch European operations that will benefit their company -- joint ventures, partnerships, takeovers, mergers, strategic alliances (47% among EC executives; 44% among Japanese executives; 38% among American executives).

  About one in five expect to benefit from more freedom in the movement of companies and personnel (28% among American executives; 23% among Japanese executives; 22% among EC executives).

- Very few executives expect that their company will see the following benefits resulting from the Single Market:

  Formation of Pan-European companies
  Speeding up the time of the "product to market" cycle
  Availability of a more qualified work force

- Responses to the other benefits show area variations:

  -- Executives in European Community companies are more likely to expect that their company will see lower production costs resulting from an increased economy of scale (36% among Europeans; 23% among Americans and Japanese).

  -- The Japanese are more likely to believe their company will benefit from joint research and development opportunities (39% among Japanese; 27% among Europeans; 19% among Americans) and greater access to finance (23% among Japanese; 12% among Europeans; 8% among Americans).

  The Japanese are least likely to believe their company will see a reduction of costs because of deregulation (23% among Japanese; 41% among Europeans; 34% among Americans).

-- Although already at a very low level, American executives are even less likely than Japanese or EC executives to believe that the Single Market will result in a more advantageous tax situation (9% vs. 19% vs. 17%).

- While executives in U.S. service companies are also most likely to see their company benefit from an expanded market for their company's products/services, the level is much lower than that occurring among executives in U.S. industrial companies (42% vs. 60% among large companies; 40% vs. 57% among mid-sized companies).

  The other leading benefits of the Single Market for service companies include:

  More flexible exchange regulations
  Greater access to finance
  The launching of European operations: joint ventures, partnerships, takeovers, mergers, strategic alliances
  New financial investment opportunities

- Executives in large industrial U.S. companies are more likely than executives in mid-sized industrial U.S. companies to believe their companies will benefit from a reduction of costs under deregulation (34% vs. 22%) but are less likely to believe their companies will benefit from lower production costs resulting from an economy of scale (23% vs. 33%).

- Differences among the responses of large and mid-sized service companies cannot be analyzed because the sample sizes are too small.

Importance Of A Corporate Response

- The majority of corporate executives surveyed who expect their company to be affected by the formation of the Single Market believe that it is important that their company respond. Executives in the European Community are more likely to believe that a response is important (56% very important) than are executives in the United States (46%), and both groups are more likely to believe that a response is important than are executives in Japan (36%).

- Executives in U.S. service companies are much less likely than executives in U.S. industrial companies to believe that their company must formulate a response to 1992 (55% very/fairly important vs. 82% among large companies; 61% very/fairly important vs. 73% among mid-sized companies).

- Among executives in U.S. industrial companies, those in large companies are more likely than those in mid-sized companies to believe that a corporate response to the Single Market is important (82% very/fairly important vs. 73%).

Strategic Planning For 1992

- Only a small minority of companies that expect to be affected by 1992 have already developed a strategic plan that incorporates the events surrounding the formation of a single European market. About one in four European Community and American companies (28% and 24%) and only one in twenty Japanese companies (4%) have already developed a plan.

- The majority of companies are in the process of developing a plan that responds to the Single Market -- 63% of Japanese firms, 55% of EC firms and 52% of American firms.

- About one in four Japanese companies (26%) are still considering whether to develop a plan, contrasted with only 17% of American companies and 10% of EC companies.

- U.S. service firms are much less likely than U.S. industrial firms to be planning for 1992 (31% will not be developing a plan vs. 7% among large companies; 35% vs. 8% among mid-sized companies).

- Large industrial U.S. companies are more likely than mid-sized industrial U.S. companies to already be planning for 1992 (76% have developed a plan/are in the process of developing a plan vs. 61%). Mid-sized industrial companies are more likely than large industrial companies to still be at the stage of considering whether to develop a plan (31% vs. 17%).

Type Of Planning Developed Or Considering

Executives who indicated their company will be affected by the formation of a single European market and also indicated that their company a) has developed, b) is in the process of developing, or c) is considering developing a strategic plan for the Single Market, were asked about the type of plan being discussed.

- Planning by these companies is similar: most Japanese (83%), American (77%) and European Community (74%) companies have a Pan-European plan (one plan for all of Europe) and a substantial majority of Japanese (71%), American (66%) and European Community (76%) companies have local or national plans (separate plans for each country). As these numbers show, Japanese and American companies, unlike European Community companies, are more likely to plan on a Pan-European basis than on a local/national basis.

- Large service companies in the United States are less likely than large industrial companies in the United States to know what kind of planning will take place (14% no idea at all vs. 1%).

Actions Taken Or Considering In Response To The Single Market

The questionnaire provided those business leaders who expected their company to be affected by 1992 with 17 specific steps a company could take to address 1992 issues. Executives were asked to indicate those steps their company has implemented or is considering implementing. There are only a few general findings; for the most part, countries in different geographic areas are acting very differently to respond to the challenges of the Single Market.

- European Community industrial companies are most likely to be:

  Undertaking market research and competitive studies (56%)
  Searching for merger/acquisition targets in Europe (55%)
  Searching for strategic alliances in Europe (53%)
  Developing joint venture partnerships with European firms (49%)
  Training key executives in the implications of 1992 (45%)
  Reorganizing present European sales/distribution structure (42%)
  Adapting existing products/services for the European market (40%)

  EC companies are more likely than their Japanese and American competitors to be undertaking market research and competitive studies (56% vs. 46% vs. 33%) and to be developing joint venture partnerships with European firms (49% vs. 41% vs. 36%). European Community companies seem to be focussing their attention on learning and growth.

  Among less-often implemented steps, EC companies are more likely than American or Japanese companies to have or are considering: appointing an executive to be responsible for European Community affairs (35% vs. 22% vs. 10%), developing Pan-European brands (31% vs. 16% vs. 1%) and introducing language programs for key executives (23% vs. 2% vs. 0%).

- American industrial companies are most likely to be:

  Searching for merger/acquisition targets in Europe (50%)
  Training key executives in the implications of 1992 (41%)
  Adapting existing products/services for the European market (41%)
  Searching for strategic alliances in Europe (41%)

  While the actions American companies are taking suggest that American firms are seeking to expand their operations and their understanding of Europe, American companies are less likely than EC and Japanese companies to be searching for strategic alliances in Europe (41% vs. 53% vs. 49%) and to be undertaking market research and competitive studies (33% vs. 56% vs. 46%).

- Japanese industrial companies are most likely to be:

  Searching for strategic alliances in Europe (49%)
  Undertaking market research and competitive studies (46%)
  Building/acquiring new European manufacturing facilities (45%)
  Establishing a European branch or subsidiary (42%)
  Developing joint venture partnerships with European firms (41%)
  Reorganizing present European sales/distribution structure (41%)

  In fact, Japanese companies are much more likely than their American or EC competitors to build/acquire new European manufacturing facilities (45% vs. 29% vs. 28%) and establish a European branch or subsidiary (42% vs. 20% vs. 14%). These Japanese companies are seeking to establish a strong presence in the European Community -- not surprising given the protectionist activities the Japanese executives are expecting (see Section E).

  At the same time, however, Japanese companies are much less likely than EC and American companies to search for merger/acquisition targets in Europe (37% vs. 55% vs. 50%), adapt existing products/services for the European market (26% vs. 40% vs. 41%) or train key executives in the implications of 1992 (4% vs. 45% vs. 41%).

  Among less-often implemented possibilities, the Japanese are less likely than their EC and American competitors to appoint an executive to be responsible for European Community affairs (10% vs. 35% vs. 22%) and to reorganize their present European manufacturing facilities (23% vs. 33% vs. 32%).

- The findings that are similar across geographic areas are:

  -- About four in ten companies affected by the events of 1992 plan to or have reorganized their present European sales/distribution structure.

  -- About three in ten have or are going to develop new marketing/communications efforts.

  -- About one in four expect to develop or have developed new European sales/distribution structures and new products/services for the European market.

  -- Almost no companies expect to decrease their investment in countries that are not part of the European Community.

- U.S. service companies are about as likely as U.S. industrial companies to implement the following actions:

  Train key executives in the implications of 1992
  Search for strategic alliances in Europe
  Develop joint venture partnerships with European firms
  Undertake market research and competitive studies
  Develop new marketing/communications efforts
  Develop new products/services for the European market
  Establish a European branch or subsidiary

  U.S. service companies are less likely than U.S. industrial companies to implement the following actions:

  Search for merger/acquisition targets in Europe
  Adapt existing products/services for the European market
  Reorganize present European sales/distribution structure
  Develop new European sales/distribution structures
  Appoint an executive to be responsible for European Community affairs

  (Of course, the service companies are also less likely to take actions that only industrial companies would take -- build/acquire new European manufacturing facilities, reorganize present European manufacturing facilities, develop Pan-European brands, etc.)

- Mid-sized and large industrial firms are planning similar actions in response to 1992. It is not possible to analyze differences in the responses of mid-sized and large service companies because the sample sizes are too small.

Expansion Into European Countries

Executives who said their companies would be affected by the formation of the Single European Market were asked, on an open-ended basis, in which European countries their company was considering expanding in order to take advantage of 1992.

- The majority of large industrial companies are considering expanding their presence in European countries -- among large American industrial firms, 62% are considering expansion; among Japanese firms, 59% are considering expansion; and among European Community firms, 55% are considering expansion.

- The leading countries for expansion activities are West Germany, Spain, France, the United Kingdom and Italy, although there is some area variation in the rank order, as described below. Note that, with the exception of Italy, these are the countries that the executives most expect will benefit from a single European market (see Section C).

  -- Areas most likely for expansion by the United States industrial companies are ranked in the order listed above (30%, 28%, 27%, 20% and 15%, respectively).

-- Japanese industrial companies are most likely to expand into the United Kingdom (33%) and West Germany (28%).

-- European Community industrial companies most often choose Spain (36%), followed at some distance by West Germany (26%), Italy (24%) and France (23%).

- A substantial proportion of U.S. service companies will not be expanding their European activity (33% among large service companies; 39% among mid-sized service companies) or do not know whether their European activity will expand (35% among large service companies; 32% among mid-sized service companies).

- The European expansion plans of large and mid-sized U.S. firms are fairly similar.

POTENTIAL ADVANTAGES OF A SINGLE EUROPEAN MARKET
THAT ARE MOST IMPORTANT TO THEIR COMPANY

(Among FORTUNE 500 Companies Worldwide
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

	U.S. Industrial (153)	U.S. Service (89)	Japan Industrial (78)	EC Industrial (78)
An expanded market for company's products/ services	60%	42%	55%	62%
The launching of European operations: joint ventures, partnerships, takeovers, mergers, strategic alliances	38	28	44	47
Reduction of costs under deregulation	34	17	23	41
More freedom in the movement of companies and personnel	28	24	23	22
Lower production costs resulting from an increased economy of scale	23	9	23	36
More flexible exchange regulations	20	29	14	13
Joint research and development opportunities	19	7	39	27
Speeding up the time of the "product to market" cycle	15	9	17	13
Formation of Pan-European companies	14	10	21	17

(Continued)

POTENTIAL ADVANTAGES OF A SINGLE EUROPEAN MARKET
THAT ARE MOST IMPORTANT TO THEIR COMPANY

(Among FORTUNE 500 Companies Worldwide
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

(Continued)

	U.S. Industrial (153)	U.S. Service (89)	Japan Industrial (78)	EC Industrial (78)
A more advantageous tax situation	9%	6%	19%	17%
Greater access to finance	8	28	23	12
New financial investment opportunities	7	25	6	10
Availability of a more qualified work force	3	3	3	10
Other	1	7	3	4
None of the above	7	7	5	3

POTENTIAL ADVANTAGES OF A SINGLE EUROPEAN MARKET
THAT ARE MOST IMPORTANT TO THEIR COMPANY

(Among Mid-Sized U.S. Companies
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

	Industrial (86)	Service (57)*
An expanded market for company's products/ services	57%	40%
The launching of European operations: joint ventures, partnerships, takeovers, mergers, strategic alliances	40	39
Reduction of costs under deregulation	22	19
More freedom in the movement of companies and personnel	34	21
Lower production costs resulting from an increased economy of scale	33	11
More flexible exchange regulations	20	32
Joint research and development opportunities	15	14
Speeding up the time of the "product to market" cycle	15	11
Formation of Pan-European companies	14	11

(Continued)

POTENTIAL ADVANTAGES OF A SINGLE EUROPEAN MARKET
THAT ARE MOST IMPORTANT TO THEIR COMPANY

(Among Mid-Sized U.S. Companies
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

(Continued)

	Industrial (86)	Service (57)*
A more advantageous tax situation	6%	12%
Greater access to finance	6	30
New financial investment opportunities	8	32
Availability of a more qualified work force	4	4
Other	5	5
None of the above	1	9

* Small base size; interpret with caution.

WHETHER IT IS IMPORTANT
THAT THEIR COMPANY RESPONDS
TO DEVELOPMENTS SURROUNDING 1992

(Among FORTUNE 500 Companies Worldwide
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

	U.S. Industrial (153)	U.S. Service (89)	Japan Industrial (78)	EC Industrial (78)
Very important	46%	19%	36%	56%
Fairly important	36	36	50	36
Not too important	17	38	14	8
Not at all important	--	6	--	--
Management has not yet determined how important a response will be	1	1	--	--

WHETHER IT IS IMPORTANT
THAT THEIR COMPANY RESPONDS
TO DEVELOPMENTS SURROUNDING 1992

(Among Mid-Sized U.S. Companies
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

	Industrial (86)	Service (57)*
Very important	36%	26%
Fairly important	37	35
Not too important	23	32
Not at all important	--	5
Management has not yet determined how important a response will be	3	2
No answer	1	--

* Small base size; interpret with caution.

WHETHER COMPANY HAS DEVELOPED A STRATEGIC PLAN
FOR THE MOVE TOWARDS A SINGLE EUROPEAN MARKET

(Among FORTUNE 500 Companies Worldwide
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

	U.S. Industrial (153)	U.S. Service (89)	Japan Industrial (78)	EC Industrial (78)
Have already developed a plan	24%	9%	4%	28%
In the process of developing a plan	52	25	63	55
Will be considering developing a plan	17	35	26	10
Will not be developing a plan	7	31	6	6
No answer	--	--	1	1

WHETHER COMPANY HAS DEVELOPED A STRATEGIC PLAN
FOR THE MOVE TOWARDS A SINGLE EUROPEAN MARKET

(Among Mid-Sized U.S. Companies
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

	Industrial (86)	Service (57)*
Have already developed a plan	21%	9%
In the process of developing a plan	40	26
Will be considering developing a plan	31	30
Will not be developing a plan	8	35

* Small base size; interpret with caution.

TYPE OF PLAN COMPANY HAS DEVELOPED/IS CONSIDERING DEVELOPING
FOR THE MOVE TOWARDS A SINGLE EUROPEAN MARKET

(Among FORTUNE 500 Companies Worldwide
That Believe Their Company Will Be Affected In Next Five Years
And Has Developed/Is Considering Developing A Strategic Plan)

	U.S. Industrial (142)	U.S. Service (61)*	Japan Industrial (72)	EC Industrial (73)
Pan-European -- one plan for all of Europe	32%	21%	29%	23%
Local/national -- separate plans for each country	21	23	17	25
Both of the above	45	38	54	51
No approach/neither of the above	--	2	--	--
Other	1	2	--	1
No idea at all	1	14	--	--

* Small base size; interpret with caution.

TYPE OF PLAN COMPANY HAS DEVELOPED/IS CONSIDERING DEVELOPING
FOR THE MOVE TOWARDS A SINGLE EUROPEAN MARKET

(Among Mid-Sized U.S. Companies
That Believe Their Company Will Be Affected In Next Five Years
And Has Developed/Is Considering Developing A Strategic Plan)

	Industrial (79)	Service (37)*
Pan-European -- one plan for all of Europe	24%	27%
Local/national -- separate plans for each country	23	35
Both of the above	43	32
No approach/neither of the above	--	--
Other	4	--
No idea at all	6	6

* Small base size; interpret with caution.

STEPS COMPANY HAS IMPLEMENTED,
OR IS CONSIDERING IMPLEMENTING,
TO ADDRESS 1992 ISSUES

(Among FORTUNE 500 Companies Worldwide
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

	U.S. Industrial (153)	U.S. Service (89)	Japan Industrial (78)	EC Industrial (78)
Search for merger/ acquisition targets in Europe	50%	27%	37%	55%
Train key executives in the implications of 1992	41	35	4	45
Adapt existing products/ services for the European market	41	23	26	40
Search for strategic alliances in Europe	41	40	49	53
Reorganize present European sales/distribution structure	39	15	41	42
Develop joint venture partnerships with European firms	36	29	41	49
Undertake market research and competitive studies	33	35	46	56
Reorganize present European manufacturing facilities	32	3	23	33
Build/acquire new European manufacturing facilities	29	2	45	28

(Continued)

STEPS COMPANY HAS IMPLEMENTED,
OR IS CONSIDERING IMPLEMENTING,
TO ADDRESS 1992 ISSUES

(Among FORTUNE 500 Companies Worldwide
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

(Continued)

	U.S. Industrial (153)	U.S. Service (89)	Japan Industrial (78)	EC Industrial (78)
Develop new marketing/ communications efforts	26%	29%	32%	37%
Develop new European sales/ distribution structures	24	10	23	31
Appoint an executive to be responsible for European Community affairs	22	16	10	35
Develop new products/ services for the European market	22	14	23	26
Establish a European branch or subsidiary	20	18	42	14
Develop Pan-European brands	16	6	1	31
Introduce language programs for key executives	2	5	--	23
Decrease investment in countries that are not part of the European Community	1	--	--	--
Other	2	5	8	4
None of the above	3	18	4	--

STEPS COMPANY HAS IMPLEMENTED,
OR IS CONSIDERING IMPLEMENTING,
TO ADDRESS 1992 ISSUES

(Among Mid-Sized U.S. Companies
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

	Industrial (86)	Service (57)*
Search for merger/acquisition targets in Europe	41%	30%
Train key executives in the implications of 1992	40	25
Adapt existing products/services for the European market	38	28
Search for strategic alliances in Europe	40	33
Reorganize present European sales/distribution structure	38	19
Develop joint venture partnerships with European firms	31	35
Undertake market research and competitive studies	40	30
Reorganize present European manufacturing facilities	27	4
Build/acquire new European manufacturing facilities	22	--

(Continued)

STEPS COMPANY HAS IMPLEMENTED,
OR IS CONSIDERING IMPLEMENTING,
TO ADDRESS 1992 ISSUES

(Among Mid-Sized U.S. Companies
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

(Continued)

	Industrial (86)	Service (57)*
Develop new marketing/communications efforts	28%	23%
Develop new European sales/distribution structures	23	12
Appoint an executive to be responsible for European Community affairs	19	16
Develop new products/services for the European market	29	19
Establish a European branch or subsidiary	20	23
Develop Pan-European brands	19	4
Introduce language programs for key executives	5	4
Decrease investment in countries that are not part of the European Community	--	4
Other	4	2
None of the above	7	23

* Small base size; interpret with caution.

EUROPEAN COUNTRIES IN WHICH COMPANY IS CONSIDERING
EXPANDING ITS ACTIVITY TO TAKE ADVANTAGE OF 1992

(Open-Ended)

(Among FORTUNE 500 Companies Worldwide
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

	U.S. Industrial (153)	U.S. Service (89)	Japan Industrial (78)	EC Industrial (78)
Considering expanding	62%	32%	59%	55%
West Germany	30	12	28	26
Spain	28	12	18	36
France	27	8	21	23
United Kingdom	20	17	33	17
Italy	15	11	13	24
Belgium	4	1	6	8
Portugal	4	--	1	8
Netherlands	3	5	5	8
Ireland	3	1	1	--
Denmark	1	--	1	--
Norway	1	--	--	1
Sweden	1	--	--	1
Finland	1	--	--	1
Greece	1	--	--	1
Luxembourg	1	--	1	3
Austria	1	--	--	1
Turkey	1	--	--	--
Switzerland	--	--	--	1
No country specified	5	5	5	10
Will not be expanding European activity	18	33	6	18
No idea at all	20	35	35	27

EUROPEAN COUNTRIES IN WHICH COMPANY IS CONSIDERING
EXPANDING ITS ACTIVITY TO TAKE ADVANTAGE OF 1992

(Open-Ended)

(Among Mid-Sized U.S. Companies
That Believe Their Company Will Be Affected In Next Five Years
By The Formation Of A Single European Market)

	Industrial (86)	Service (57)*
Considering expanding	56%	29%
West Germany	31	12
Spain	27	12
France	17	11
United Kingdom	22	23
Italy	14	11
Belgium	4	2
Portugal	2	--
Netherlands	11	--
Ireland	--	2
Denmark	2	--
Norway	--	2
Sweden	--	--
Finland	--	--
Greece	--	--
Luxembourg	2	--
Austria	--	--
Turkey	1	--
Switzerland	1	--
No country specified	1	--
Will not be expanding European activity	20	39
No idea at all	24	32

* Small base size; interpret with caution.

APPENDIX A

Characteristics Of The Sample

JOB TITLE OR POSITION

(Among FORTUNE 500 Companies Worldwide)

	U.S. Industrial (176)	U.S. Service (135)	Japan Industrial (91)	EC Industrial (83)
Top Management	93%	95%	88%	70%
Chairman of the Board/ Company Director	25	22	2	8
President/CEO/Managing Director	30	34	47	15
Executive VP/Senior VP/ Group VP	18	21	3	6
VP Treasurer/VP Controller/ Other Financial VP	1	2	1	--
Other VP	7	2	--	--
Treasurer/Secretary Treasurer/Controller/ Other Financial Officer	3	2	--	11
Other Company Officer/ Assistant Officer/ General Manager	3	6	13	13
Owner/Partner	--	--	--	--
Other Director	6	6	22	17
Other Manager	2	2	6	21
Secretarial/Clerical/ Office Manager	1	1	1	4
Other Professional	--	1	--	2
No answer	4	1	5	3

JOB TITLE OR POSITION

(Among Mid-Sized U.S. Companies)

	Industrial (103)	Service (106)
Top Management	92%	93%
Chairman of the Board/ Company Director	16	38
President/CEO/Managing Director	41	34
Executive VP/Senior VP/ Group VP	17	13
VP Treasurer/VP Controller/ Other Financial VP	2	--
Other VP	7	1
Treasurer/Secretary Treasurer/Controller/ Other Financial Officer	2	1
Other Company Officer/ Assistant Officer/ General Manager	5	1
Owner/Partner	--	2
Other Director	2	3
Other Manager	3	1
Secretarial/Clerical/ Office Manager	--	2
Other Professional	2	--
No answer	3	4

APPENDIX B

Mailing Materials

ENGLISH VERSION

COVER LETTER

FORTUNE

March 6, 1989

Dear [personalized]:

MAY I ASK YOU A FAVOR?

FORTUNE Magazine and Ernst & Whinney are sponsoring a major international study on how the largest companies in the world are planning their business operations for the 1990's and beyond. The survey hopes to provide business people worldwide with useful information about their business environment. The results of this survey will be presented at an international symposium in late spring.

We would greatly appreciate your taking a few minutes to complete the enclosed survey. If you, yourself, are unable to complete the survey, we would greatly appreciate your passing it on to a senior company officer who would be knowledgeable about your company's strategic planning and European operations, if any. When the survey is completed, you may simply return it to us in the stamped reply envelope provided.

Because we are sending this survey to a scientifically selected sample of companies, answers from your company are essential to the accuracy of the study. You can be assured that your responses will be kept strictly confidential and anonymous.

Thank you in advance for your cooperation.

Sincerely,

James B. Hayes
Publisher

P.S. The enclosed $5 bill is just a token of our appreciation for your help. Please accept it with our thanks.

If you would like a summary of the results of the survey to see how other companies have responded, please fill out the enclosed card and send it back along with your completed survey. Again, please be assured that this card will be processed separately from your survey to protect the confidentiality of your answers.

FOLLOW-UP COVER LETTER

FORTUNE

March 20, 1989

Dear CEO/Managing Director:

Some weeks ago, on behalf of FORTUNE Magazine and Ernst & Whinney, I requested your company's assistance with a survey about business plans for the 1990's and beyond. Many of the companies contacted have already returned our survey; if yours is among them, please accept our sincere thanks.

If your company has not yet responded, your help remains vital. Again, let me assure you that answers to all questions will be treated with absolute confidentiality.

Another copy of the survey and a stamped return envelope are enclosed. Would you please take a few minutes to fill it out? If you passed the original along to another executive, perhaps you will be kind enough to see that this reminder also goes to that person.

Your assistance will be greatly appreciated, regardless of whether you currently have or are planning any European operations.

Thank you in advance for your cooperation.

Sincerely,

James B. Hayes
Publisher

P.S. If you would like a summary of the results of the survey to see how other companies have responded, please fill out the enclosed card and send it back along with your completed survey. Again, please be assured that this card will be processed separately from your survey to protect the confidentiality of your answers.

BUSINESS IN EUROPE

IMPRESSIONS OF BUSINESS CONDITIONS IN EUROPE

1. How aware is the senior management of your company of the changes now occurring in the European business environment?

   8-1 ☐ Very aware
   -2 ☐ Fairly aware
   -3 ☐ Not too aware
   -4 ☐ Not at all aware

2. How aware is the senior management of your company of the initiative among the European Economic Community to create a single market by the end of 1992?

   7-1 ☐ Very aware
   -2 ☐ Fairly aware
   -3 ☐ Not too aware
   -4 ☐ Not at all aware

3. The purpose of the initiative to form a single European market is to create a trading area in which there are no physical, technical or fiscal barriers to the free movement of goods, services, persons and capital.

   a. How well does the senior management of **your company** understand the implications of a single European market for your **industry**?

      8-1 ☐ Very well
      -2 ☐ Fairly well
      -3 ☐ Not too well
      -4 ☐ Not at all well

   b. How well does the senior management of **your company** understand the implications of a single European market for your **company**?

      9-1 ☐ Very well
      -2 ☐ Fairly well
      -3 ☐ Not too well
      -4 ☐ Not at all well

4. Overall, how **successful** do you think Europe will be in creating this single market over the course of the **next few years**?

   10-1 ☐ Very successful
   -2 ☐ Fairly successful
   -3 ☐ Not too successful
   -4 ☐ Not at all successful
   -5 ☐ No idea at all

5. Based on your observations of recent actions by your American, European and Japanese competitors, how well do you think **your competitors** understand the implications of a single European market? (PLEASE "X" ONE ANSWER IN EACH COLUMN.)

	American Competitors	European Competitors	Japanese Competitors
Very well	11-1 ☐	12-1 ☐	13-1 ☐
Fairly well	-2 ☐	-2 ☐	-2 ☐
Not too well	-3 ☐	-3 ☐	-3 ☐
Not at all well	-4 ☐	-4 ☐	-4 ☐
No idea at all	-5 ☐	-5 ☐	-5 ☐
Do not have competitors from this area	-6 ☐	-6 ☐	-6 ☐

6. Who do you think will gain the most from a single European market in the **short-term**, that is, over the **next five years** or so? (PLEASE "X" ONLY ONE ANSWER.)

14-1 ☐ Countries in the European Community — Which countries, if any, in particular (please specify)? _____ (15-16)
-2 ☐ Western European countries not in the European Community
-3 ☐ Eastern European countries
-4 ☐ Japan
-5 ☐ United States
-6 ☐ No idea at all

7. Who do you think will gain the most from a single European market in the **long-term**, that is, over the **next ten years** or so? (PLEASE "X" ONLY ONE ANSWER.)

17-1 ☐ Countries in the European Community — Which countries, if any, in particular (please specify)? _____ (18-19)
-2 ☐ Western European countries not in the European Community
-3 ☐ Eastern European countries
-4 ☐ Japan
-5 ☐ United States
-6 ☐ No idea at all

8. The next few questions ask about your impressions of the European Community, Japan and the United States. (FOR EACH QUESTION, PLEASE "X" ONLY ONE AREA IN EACH COLUMN.)

a. Please indicate in Column **A** which **one** of these three areas you think leads in **imports**.
b. Please indicate in Column **B** which **one** of these three areas you think leads in **exports**.
c. Please indicate in Column **C** which **one** of these three areas you think leads in the **share of world trade**.
d. Please indicate in Column **D** which **one** of these three areas you think has the greatest **population**.

	A Imports	B Exports	C World Trade	D Population
European Community (excluding trade between community countries)	20-1 ☐	21-1 ☐	22-1 ☐	23-1 ☐
Japan	-2 ☐	-2 ☐	-2 ☐	-2 ☐
United States	-3 ☐	-3 ☐	-3 ☐	-3 ☐
No idea at all	-4 ☐	-4 ☐	-4 ☐	-4 ☐

IMPACT OF 1992 ON YOUR COMPANY

9. What kind of an impact do you expect the creation of a single European market will have on the **industry** in which your company does business?

24-1 ☐ Industry will **benefit greatly**
-2 ☐ Industry will **benefit somewhat**
-3 ☐ Industry will **not be affected** at all
-4 ☐ Industry will be **harmed somewhat**
-5 ☐ Industry will be **harmed greatly**
-6 ☐ No idea at all

10. Relative to other key issues affecting the future of your company, how important is it that your company respond to the developments surrounding 1992?

25-1 ☐ Very important
-2 ☐ Fairly important
-3 ☐ Not too important
-4 ☐ Not at all important
-5 ☐ Management has not yet determined how important a response will be

11. How significant an impact do you expect the formation of a single European market will have on **your company** over the course of the **next five years**?

26-1 ☐ A substantial impact
-2 ☐ A moderate impact
-3 ☐ A slight impact
-4 ☐ No impact at all
-5 ☐ No idea at all → PLEASE SKIP TO QUESTION #19

12. How much of an impact do you expect the formation of a single European market will have on the various **functions** of **your company**? (PLEASE "X" ONE ANSWER FOR EACH FUNCTION.)

	Substantial Impact	Moderate Impact	Slight Impact	No Impact	No Idea At All	
Management	-1☐	-2☐	-3☐	-4☐	-5☐	(27)
Finance	-1☐	-2☐	-3☐	-4☐	-5☐	(28)
Research and Development	-1☐	-2☐	-3☐	-4☐	-5☐	(29)
Marketing	-1☐	-2☐	-3☐	-4☐	-5☐	(30)
Sales/distribution	-1☐	-2☐	-3☐	-4☐	-5☐	(31)
Operations/manufacturing	-1☐	-2☐	-3☐	-4☐	-5☐	(32)
Human Resources	-1☐	-2☐	-3☐	-4☐	-5☐	(33)

13. Listed below are some of the actions that the European Community could take as part of creating a single European market. Which, if any, do you think are most important to **your company**? (PLEASE "X" AS MANY AS APPLY.)

34-1 ☐ Harmonization of value-added taxes (VAT) and excise rates
-2 ☐ A common currency
-3 ☐ Technical standardization/testing/certification of products
-4 ☐ Easy movement of capital
-5 ☐ Easy movement of goods
-6 ☐ Harmonization of health and safety standards
-7 ☐ Broadening of European social/labor rights
-8 ☐ Opening up of the public/government procurement process
-9 ☐ Creating European Community patents and industrial protection
-0 ☐ None of the above

14. Has your company developed, or is it in the process of developing, a strategic plan for Europe that takes into account the move towards a single market?

35-1 ☐ Have already developed a plan
-2 ☐ In the process of developing a plan
-3 ☐ Will be considering developing a plan
-4 ☐ Will not be developing a plan

15. In your company's overall planning process, is your present approach toward Europe leaning toward a Pan-European approach (one plan for all of Europe), a local/national approach (separate plans for each country), or does it combine both? (PLEASE "X" ONLY ONE ANSWER.)

36-1 ☐ Pan-European — one plan for all of Europe
-2 ☐ Local/national — separate plans for each country
-3 ☐ Both
-4 ☐ Other (please specify): _____ 37-
_____ 38-
_____
-5 ☐ No idea at all

16. Which, if any, of the following steps has your company implemented, or is considering implementing, to address 1992 issues? (PLEASE "X" AS MANY AS APPLY.)

39-1 ☐ Develop new products/services for the European market
-2 ☐ Develop Pan-European brands
-3 ☐ Adapt existing products/services for the European market
-4 ☐ Search for strategic alliances in Europe
-5 ☐ Search for merger/acquisition targets in Europe
-6 ☐ Develop joint venture partnerships with European firms

-7 ☐ Establish a European branch or subsidiary
-8 ☐ Reorganize **present** European manufacturing facilities
-9 ☐ Build/acquire **new** European manufacturing facilities
-0 ☐ Reorganize **present** European sales/distribution structure
40-1 ☐ Develop **new** European sales/distribution structures
-2 ☐ Develop new marketing/communications efforts

-3 ☐ Appoint an executive to be responsible for European Community affairs
-4 ☐ Decrease investment in countries that are not part of the European Community
-5 ☐ Train key executives in the implications of 1992
-6 ☐ Introduce language programs for key executives
-7 ☐ Undertake market research and competitive studies
-8 ☐ Other (please specify): _____ 41-
-9 ☐ None of the above

17. Of the following potential advantages to be derived from a single European market, which, if any, are the most important for **your company**? (PLEASE "X" AS MANY AS APPLY.)

42-1 ☐ An expanded market for company's products/services
-2 ☐ The launching of European operations: joint ventures, partnerships, takeovers, mergers, strategic alliances
-3 ☐ More flexible exchange regulations
-4 ☐ Lower production costs resulting from an increased economy of scale
-5 ☐ Formation of Pan-European companies
-6 ☐ New financial investment opportunities
-7 ☐ Greater access to finance

-8 ☐ Reduction of costs under deregulation
-9 ☐ More freedom in the movement of companies and personnel
-0 ☐ A more advantageous tax situation
43-1 ☐ Availability of a more qualified work force
-2 ☐ Joint research and development opportunities
-3 ☐ Speeding up the time of the "product to market" cycle
-4 ☐ Other (please specify): _____ 44-
-5 ☐ None of the above

18. In which European countries, if any, is your company considering expanding its activity to take advantage of 1992 (please specify)?

_____ (45-46)

(PLEASE DO NOT ABBREVIATE)

47-1 ☐ Will not be expanding European activity
-2 ☐ No idea at all

IMPACT OF 1992 ON EUROPE

19. Listed below are some potential positive and negative **consequences** of a single European market. For **each** consequence, please indicate how much you agree or disagree that this will result from a single European market. (PLEASE "X" ONE ANSWER FOR EACH CONSEQUENCE.)

	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree	No Idea At All	
European firms will become more competitive with their U.S. and Japanese rivals	1☐	2☐	3☐	4☐	5☐	6☐	(48)
European firms will increase their market share in the European market place	1☐	2☐	3☐	4☐	5☐	6☐	(49)
European firms will increase their market share in the United States and Japan	1☐	2☐	3☐	4☐	5☐	6☐	(50)
European firms will increase their exports to foreign markets	1☐	2☐	3☐	4☐	5☐	6☐	(51)
Unemployment in Europe will be reduced in the long term	1☐	2☐	3☐	4☐	5☐	6☐	(52)
The rate of inflation in Europe will be reduced	1☐	2☐	3☐	4☐	5☐	6☐	(53)
Europe will become a more powerful force in world politics	1☐	2☐	3☐	4☐	5☐	6☐	(54)
The prices Europeans pay for goods and services will decrease	1☐	2☐	3☐	4☐	5☐	6☐	(55)
Small and medium-sized companies in Europe will have a more difficult time competing successfully	1☐	2☐	3☐	4☐	5☐	6☐	(56)
There will be an increase in the variety of products available in Europe	1☐	2☐	3☐	4☐	5☐	6☐	(57)
Remaining cultural differences in Europe will ultimately bring about the downfall of a true single market	1☐	2☐	3☐	4☐	5☐	6☐	(58)
There will continue to be rapid expansion of outside investment in Europe	1☐	2☐	3☐	4☐	5☐	6☐	(59)
Small and medium-sized companies outside the European Community will have a more difficult time maintaining their European markets	1☐	2☐	3☐	4☐	5☐	6☐	(60)
The growth in the European economy will speed up	1☐	2☐	3☐	4☐	5☐	6☐	(61)

20. Some people believe that the creation of a single European market will create a **free** market in Europe **internally**, but a **protectionist** market in Europe's dealings with **outside countries**. Compared to the current situation in Europe, how protectionist do you think Europe will be towards **outside countries** by the end of 1992?

62-1 ☐ Much more protectionist
-2 ☐ Somewhat more protectionist
-3 ☐ Stay about the same
-4 ☐ Somewhat less protectionist
-5 ☐ Much less protectionist
-6 ☐ No idea at all

[80-1]

21. Listed below are some of the protectionist measures that some people have suggested might be implemented. For each, please indicate how likely you think Europe will be to enact the measure. (PLEASE "X" ONE ANSWER FOR EACH MEASURE.)

	Very Likely	Fairly Likely	Not Too Likely	Not At All Likely	No Idea At All	
Establish import quotas	-1☐	-2☐	-3☐	-4☐	-5☐	(6)
Enact strong anti-dumping measures	-1☐	-2☐	-3☐	-4☐	-5☐	(7)
Require that foreign markets be as open to European products/services as European markets will be to foreign products/services	-1☐	-2☐	-3☐	-4☐	-5☐	(8)
Deny existing subsidiaries of foreign companies operating in Europe the rights enjoyed by European companies	-1☐	-2☐	-3☐	-4☐	-5☐	(9)
Deny foreign companies the right to establish new subsidiaries in Europe	-1☐	-2☐	-3☐	-4☐	-5☐	(10)
Increase delays at borders	-1☐	-2☐	-3☐	-4☐	-5☐	(11)
Increase technical barriers	-1☐	-2☐	-3☐	-4☐	-5☐	(12)

22. Who do you think would be **most** hurt by Europe's protectionism, if it were to occur—American business, European business or Japanese business? (PLEASE "X" ONLY ONE ANSWER.)

13-1 ☐ American business
-2 ☐ European business
-3 ☐ Japanese business
-4 ☐ No idea at all

23. Over the long term, do you think Europe will become more protectionist, less protectionist, or stay about the same as it will be by the end of 1992?

14-1 ☐ Much more protectionist
-2 ☐ Somewhat more protectionist
-3 ☐ Stay about the same
-4 ☐ Somewhat less protectionist
-5 ☐ Much less protectionist
-6 ☐ No idea at all

BACKGROUND

The last four questions are for classification purposes only:

1. What is your job title or position? (Please be specific: e.g. partner, vice president, general manager, office manager, lawyer, etc.)

_____ (15-16)

2. What parts of your company's operations are currently based in Europe? (PLEASE "X" ALL THAT APPLY.)

17-1 ☐ Sales/Distribution
-2 ☐ Manufacturing
-3 ☐ Marketing
-4 ☐ Fully independent subsidiaries
-5 ☐ Major suppliers
-6 ☐ Other (please specify): _____ 18-
-7 ☐ Do not currently have operations in Europe → PLEASE SKIP TO QUESTION #4

3. a. How are your European operations managed?

19-1 ☐ Managed locally in each country
-2 ☐ Managed regionally
-3 ☐ Managed directly from corporate headquarters
-4 ☐ Other (please specify): _____ 20-

_____

_____

b. Approximately what percentage of your company's total sales or assets are accounted for by your European operations? (PLEASE WRITE IN YOUR BEST GUESS.)

_____% (21-22)

4. a. In which of the activities listed below is your company involved? (PLEASE "X" AS MANY AS APPLY.)
b. Please circle the activity in which your company is **principally** involved.

MANUFACTURING

23-1 ☐ Aerospace/Defense
-2 ☐ Automobiles
-3 ☐ Iron and steel/Metallurgy
-4 ☐ Engineering
-5 ☐ Electrical engineering
-6 ☐ EDP/Electronics
-7 ☐ Building, public works
-8 ☐ Wood/Paper
-9 ☐ Textiles/Clothing
-0 ☐ Oil and gas
24-1 ☐ Chemicals
-2 ☐ Pharmaceuticals
-3 ☐ Food processing
-4 ☐ Luxury goods
-5 ☐ Other: _____
(please specify)

SERVICES

25-1 ☐ Financial services
-2 ☐ Communications
-3 ☐ Insurance
-4 ☐ Distribution
-5 ☐ Publishing
-6 ☐ Advertising
-7 ☐ Hotel trade/Tourism and leisure
-8 ☐ Retailing
-9 ☐ Transportation
-0 ☐ Utilities
-x ☐ Other: _____
(please specify)

(26)

IF YOU HAVE ANY ADDITIONAL COMMENTS THAT YOU WOULD LIKE TO PASS ON TO US, PLEASE FEEL FREE TO USE THE BACK OF THIS PAGE.

THANK YOU VERY MUCH!

(80-2)

001-054

REQUEST POSTCARD FOR SURVEY RESULTS

Please send a summary of the survey results on how businesses worldwide are planning for the 1990's.

NAME: _____

TITLE: _____

COMPANY: _____

ADDRESS: _____

CITY: _____ STATE: _____

COUNTRY: _____ POSTAL CODE: _____

JAPANESE VERSION

COVER LETTER

FORTUNE

1989年3月10日

《1990年代の国際ビジネスに関する経営首脳意見調査》ご協力のお願い

謹啓　時下ますますご清祥のこととお慶び申し上げます。また平素は、弊誌に格別のご厚情を賜り厚く御礼申し上げます。

さて、米国を代表する経営・経済誌である弊フォーチュン誌はこのほど、米国の調査会社アーネスト・アンド・ホイニー社の協力のもと、1990年代以降、世界の大企業がどのような事業戦略を展開しようとしているかについての調査を全世界規模で実施いたすこととなりました。私どもは、この調査によって世界のビジネスをリードする立場にある経営首脳の方々が、今後の企業環境をどのように認識され、またそのためにどのような対策を立てようとされているのかを知ることができるとともに、調査の結果から数多くの有益な示唆を皆さま方にご提供できるものと確信いたしております。なお本調査の結果は、今春末に開催予定の国際シンポジウムにおいて報告される運びとなっております。

つきましては、諸事ご多端の折まことに恐縮とは存じますが、日本の産業界を代表する指導者のお一人としてぜひとも貴台のご高見を賜りたく、同封の調査票に示しました各質問へのご回答方を謹んでお願い申し上げる次第でございます。もし貴台ご自身のご高見を賜ることが難しい場合は、貴社の戦略計画ならびに欧州事業を熟知されている経営陣のどなたかにご委託いただければまことに幸いに存じます。

本調査は、科学的に抽出された企業に限定してお願いしており、したがいまして貴台よりのご回答は調査の正確を期するうえで不可欠なものでございます。なお申し上げるまでもないとは存じますが、貴台よりのご回答の内容は厳格に秘匿され、また貴台のお名前が公表されるご懸念は絶対にないことを念のために申し添えます。

まことにご面倒なお願いではございますが、なにとぞ趣旨ご賢察のうえ特段のご協力を賜りたく、重ねてお願い申し上げる次第でございます。

末筆ながら、貴台ならびに貴社のますますのご発展を衷心よりお祈り申し上げます。

敬具

フォーチュン誌
発行人

ジェームズ・B・ヘイズ

[追記]

- 本調査のご回答は、同封いたしました返信用封筒にて3月31日までにご返送いただきたく謹んでお願い申し上げます。
- 本調査の結果要約をご希望の場合は、ご面倒でも添付の「調査結果サマリー請求カード」に必要事項ご記入のうえお送りくださいますようお願い申し上げます。貴台のご回答内容の秘匿を守るため、このカードは調査票の分析とは別途に処理いたしますので、ご休心ください。
- 同封のテレフォンカードは、ご協力に対する私どものささやかなお礼のしるしでございます。まことに心ばかりの品ではございますが、なにとぞご笑納いただければ幸いです。
- この調査に関するご質問等につきましては、調査の日本側委託先である下記調査会社まで何なりとお問い合わせくださいますようお願い申し上げます。

(1990年代の国際ビジネスに関する経営者ネットワーク意識調査)調査事務局
株式会社　オメガ・コミュニケーションズ
〒105／東京都港区芝3-17-15クリエート三田ビル303
Tel:(03)798-3741(代)／Fax:(03)798-2837

《1990年代の国際ビジネスに関する経営首脳意見調査》調査票

「ご記入にあたってのお願い」
●複数の回答選択肢から1つ（または2つ以上）をお選びいただく場合は、該当する□欄に×印をおつけください（☒）。
●「その他」の場合は、＿＿＿＿欄に具体的にご記入ください。

●ヨーロッパのビジネス環境に対する印象について

1．貴社の経営陣は、ヨーロッパのビジネス環境に現に起こっている変化をどの程度ご存じだとお考えですか。

6 1□非常によく知っていると思う
2□かなり知っていると思う
3□あまりよく知らないと思う
4□まったく知らないと思う

2．貴社の経営陣は、1992年末までに統合市場をつくるというヨーロッパ経済共同体（EEC）の計画をどの程度ご存じだとお考えですか。

7 1□非常によく知っていると思う
2□かなり知っていると思う
3□あまりよく知らないと思う
4□まったく知らないと思う

3．ヨーロッパに統合市場をつくろうという計画の目的は、モノ、サービス、人材、あるいは資本の自由な移動を目指して、物理的、技術的、および財政的な障壁のない通商地域を創設することにあるといわれています。

a．貴社の経営陣は、こうしたヨーロッパ統合市場の創設が貴社の属する業界にとってどのような意味を持つかということについて、どの程度理解されているとお考えですか。

8 1□非常によく理解していると思う
2□かなり理解していると思う
3□あまりよく理解していないと思う
4□まったく理解していないと思う

b．貴社の経営陣は、こうしたヨーロッパ統合市場の創設が貴社にとってどのような意味を持つかということについて、どの程度理解されているとお考えですか。

9 1□非常によく理解していると思う
2□かなり理解していると思う
3□あまりよく理解していないと思う
4□まったく理解していないと思う

4．全体として、1992年末までにヨーロッパにこうした統合市場をつくろうという計画はどの程度成功すると思われますか。

10 1□非常に成功すると思う
2□かなり成功すると思う
3□あまり成功しないと思う
4□まったく成功しないと思う
5□わからない

5．米国、ヨーロッパ、日本における貴社の競合企業の最近の動きをみたとき、こうした競合企業はヨーロッパ統合市場のもつ意味を、どの程度理解していると思われますか。
（それぞれの地域につき、あてはまるものを１つだけお選びください。）

	米国の競合企業	ヨーロッパの競合企業	日本の競合企業
非常によく理解していると思う	11 1☐	12 1☐	13 1☐
かなり理解していると思う	2☐	2☐	2☐
あまり理解していないと思う	3☐	3☐	3☐
まったく理解していないと思う	4☐	4☐	4☐
わからない	5☐	5☐	5☐
この地域には競合企業がない	6☐	6☐	6☐

6．短期的（向こう５年ぐらい）にみた場合、こうしたヨーロッパ統合市場からもっとも多くの利益を得るのはどの地域／国だと思われすか。（あてはまるものを１つだけお選びください。）

14 1☐ヨーロッパ共同体（EC）の諸国
　具体的に挙げるとすればそれはどこですか。＿＿＿＿＿＿＿＿＿＿＿＿＿＿＿＿(15 16)
2☐EC以外の西ヨーロッパ諸国
3☐東ヨーロッパ諸国
4☐日本
5☐米国
6☐わからない

7．長期的（向こう10年ぐらい）にみた場合、こうしたヨーロッパ統合市場からもっとも多くの利益を得るのはどの地域／国だと思われますか。（あてはまるものを１つだけお選びください。）

17 1☐EC諸国
　具体的に挙げるとすればそれはどこですか。＿＿＿＿＿＿＿＿＿＿＿＿＿＿＿＿(18 19)
2☐EC以外の西ヨーロッパ諸国
3☐東ヨーロッパ諸国
4☐日本
5☐米国
6☐わからない

8．以下の質問は、EC、日本、米国に対するあなたの印象をおうかがいするものです。
（各質問とも、それぞれの地域についてあてはまるものを１つだけお選びください。）

a．３つの地域のうち輸入において優位に立っているのはどこか、A欄にご記入ください。
b．３つの地域のうち輸出において優位に立っているのはどこか、B欄にご記入ください。
c．３つの地域のうち世界貿易のシェアにおいて優位に立っているのはどこか、C欄にご記入ください。
d．３つの地域のうちもっとも多くの人口を持っているのはどこか、D欄にご記入ください。

	A（輸入）	B（輸出）	C（世界貿易）	D（人口）
EC（域内貿易を除く）	20 1☐	21 1☐	22 1☐	23 1☐
日本	2☐	2☐	2☐	2☐
米国	3☐	3☐	3☐	3☐
わからない	4☐	4☐	4☐	4☐

●「1992年」（ヨーロッパ市場の統合）が貴社に与える影響について

9．ヨーロッパ統合市場の創設によって貴社の属する業界はどのような影響を受けると思われますか。

24 1□業界は大いに利益を享受すると思う
2□業界はなんらかの利益を享受すると思う
3□業界は何の影響も受けないと思う
4□業界はなんらかの損害を被ると思う
5□業界は多大の損害を被ると思う
6□わからない

10．貴社の将来に影響を与えるその他の主要な問題を考えたとき、貴社が「1992年」を取り巻く変化への対策を準備することはどの程度重要だと思われますか。

25 1□非常に重要だと思う
2□かなり重要だと思う
3□それほど重要ではないと思う
4□まったく重要ではないと思う

5□当社の経営陣は、そうした対策の重要性をまだ認識していない

11．ヨーロッパ統合市場の創設は向こう5年間に、貴社にどの程度の影響を与えると思われますか。

26 1□相当の影響があると思う
2□ある程度の影響があると思う
3□やや影響があると思う
4□影響はまったくないと思う→質問19へお進みください。
5□わからない→質問19へお進みください。

12．ヨーロッパ統合市場の創設は貴社のさまざまな機能にどの程度の影響を与えると思われますか。(それぞれの項目につき、あてはまるものを1つだけお選びください。)

	相当の影響があると思う	ある程度の影響があると思う	やや影響があると思う	影響はまったくないと思う	わからない	
管理	□1	□2	□3	□4	□5	(27)
財務	□1	□2	□3	□4	□5	(28)
研究・開発	□1	□2	□3	□4	□5	(29)
マーケティング	□1	□2	□3	□4	□5	(30)
販売・流通	□1	□2	□3	□4	□5	(31)
経営・生産	□1	□2	□3	□4	□5	(32)
人材	□1	□2	□3	□4	□5	(33)

13. 以下の項目は、市場統合の一環としてECがとると思われる行動の一部です。このうち貴社にとってもっとも重要なのはどれだと思われますか。(あてはまるものをいくつでもお選びください。)

34 1□付加価値税および物品税の原則的一本化
2□共通通貨の制定
3□技術の標準化および製品の検査・証明の標準化
4□資本移動の簡易化
5□モノの移動の簡易化
6□健康・安全基準の原則的一本化
7□ヨーロッパ人の社会・労働権の拡大
8□公共・政府調達手続きの外国企業への開放
9□EC特許および工業保護の設定

0□上記のなかに該当するものなし

14. 貴社では、統合市場への動きを考慮にいれた、ヨーロッパのための戦略計画をすでに策定されましたか。あるいは、現在策定中でしょうか。

35 1□すでに策定した
2□目下、策定中である
3□今後、策定を検討したい
4□策定の予定なし

15. 貴社において全体的な計画を策定される場合、ヨーロッパに対する貴社のアプローチはどちらかといえばパンヨーロッパ的なアプローチ(全ヨーロッパのために1つの計画をつくる)でしょうか、地域別・国別アプローチ(国ごとに違う計画をつくる)でしょうか、それともその組み合せでしょうか。(あてはまるものを1つだけお選びください。)

36 1□パンヨーロッパ的アプローチ・・・全ヨーロッパのための1つの計画
2□地域別・国別アプローチ・・・国ごとに違う計画
3□その両方

4□その他(具体的にお答えください):_____(37)

_____(38)

5□わからない

16. 下記に示す項目のなかで、「1992年」に向けて貴社がすでに実施、あるいは実施を検討されているものはどれでしょうか。(あてはまるものをいくつでもお選びください。)

39 1□ヨーロッパ市場のための新製品・新サービスの開発
2□パンヨーロッパ・ブランドの開発
3□ヨーロッパ市場のために、既存製品・サービスの手直し
4□ヨーロッパにおける戦略的提携の検討
5□ヨーロッパにおける合併・買収の候補企業の検討
6□ヨーロッパ企業との合弁会社の設立
7□ヨーロッパ支店または子会社の設立
8□ヨーロッパにおける現有生産拠点の再編成
9□ヨーロッパにおける新規生産拠点の設立または買収
0□ヨーロッパにおける現有販売・流通組織の再編成
40 1□ヨーロッパにおける新規販売・流通組織の開発
2□新たなマーケティングあるいはコミュニケーション活動の展開
3□ＥＣ関連業務担当の重役の任命
4□ＥＣ以外諸国への投資の削減
5□1992年末のＥＣ市場統合に向けて主要重役への教育実施
6□主要重役のための語学プログラムの導入
7□市場調査および競合状況調査の実施

8□その他（具体的にお答えください）：＿＿＿

●ヨーロッパに与える市場統合の影響

19. 下記の項目は、1992年末のヨーロッパ市場統合がもたらすと思われる肯定的および否定的な側面です。それぞれの側面について、あなたはどの程度、そうなる（あるいは、そうならない）と思われますか。（それぞれの項目について、あてはまるものを1つだけお選びください。）

	まったくそのとおりだと思う	そのとおりだと思う	どちらともいえない	そうは思わない	まったくそうは思わない	わからない	
米国および日本の競合企業に対し、ヨーロッパ企業の競争力が増す。	□1	□2	□3	□4	□5	□6	(48)
ヨーロッパ市場において、ヨーロッパ企業のシェアが拡大する。	□1	□2	□3	□4	□5	□6	(49)
米国および日本市場において、ヨーロッパ企業のシェアが拡大する。	□1	□2	□3	□4	□5	□6	(50)
ヨーロッパ企業の外国市場への輸出が拡大する。	□1	□2	□3	□4	□5	□6	(51)
長期的にみて、ヨーロッパの失業率が低下する。	□1	□2	□3	□4	□5	□6	(52)
ヨーロッパのインフレ率が低下する。	□1	□2	□3	□4	□5	□6	(53)
世界政治の局面において、ヨーロッパの勢力が増大する。	□1	□2	□3	□4	□5	□6	(54)
ヨーロッパの人々が支払うモノとサービスの価格が下がる。	□1	□2	□3	□4	□5	□6	(55)
ヨーロッパの中小企業にとって、競争力の維持が難しくなる。	□1	□2	□3	□4	□5	□6	(56)
ヨーロッパにおける製品バラエティーが増す。	□1	□2	□3	□4	□5	□6	(57)
究極的には、現存する文化的差異によって真の統合市場は消滅する。	□1	□2	□3	□4	□5	□6	(58)
ヨーロッパに対する外部からの投資が引続き急速に拡大する。	□1	□2	□3	□4	□5	□6	(59)
EC以外の中小企業にとって、ヨーロッパ市場の維持が難しくなる。	□1	□2	□3	□4	□5	□6	(60)
ヨーロッパにおける経済成長がスピードアップする。	□1	□2	□3	□4	□5	□6	(61)

20. ヨーロッパ統合市場の創設はヨーロッパの内部においては自由な市場をもたらす反面、外国との取引においては保護主義的な市場になるだろうという見方があります。あなたは現在の状況と比較して、1992年末までにヨーロッパは対外的にどの程度保護主義的になると思われますか。

62-1□現在よりはるかに保護主義的になると思う
2□やや保護主義的になると思う
3□現在と変わらないと思う
4□保護主義的傾向はやや減ると思う
5□保護主義的傾向ははるかに減ると思う
6□わからない。 (80 1)

21. 下記の項目は、ヨーロッパがとるかも知れない保護主義的な措置です。それぞれの項目につき、あなたの予測と合致するものを1つだけお選びください。

	非常にあり得ると思う	かなりあり得ると思う	あまりあり得ないと思う	まったくあり得ないと思う	わからない	
輸入割当制度を設ける。	□1	□2	□3	□4	□5	(6)
強力な反ダンピング措置を実施する。	□1	□2	□3	□4	□5	(7)
外国製品・サービスのためにヨーロッパ市場を開放する代わりに、ヨーロッパ製品・サービスのために外国市場の開放を求める。	□1	□2	□3	□4	□5	(8)
ヨーロッパにおいて操業する外国企業の既存子会社には、ヨーロッパ企業と同等の権利を認めない。	□1	□2	□3	□4	□5	(9)
外国企業には、ヨーロッパに新たな子会社を設立する権利を認めない。	□1	□2	□3	□4	□5	(10)
国境における遅延を拡大する。	□1	□2	□3	□4	□5	(11)
技術的な障壁を拡大する。	□1	□2	□3	□4	□5	(12)

22. ヨーロッパが保護主義的な措置をとった場合、それによって被害をもっとも被るのは米国企業、ヨーロッパ企業、日本企業のうちのどれだと思われますか。(あてはまるものを1つだけお選びください。)

13 1□米国企業
2□ヨーロッパ企業
3□日本企業
4□わからない

23. 長期的にみた場合、1992年以降、ヨーロッパはより保護主義的になると思われますか。あるいは、保護主義的傾向は減る、または変わらないと思われますか。

14 1□はるかに保護主義的になると思う
2□やや保護主義的になると思う
3□変わらないと思う
4□保護主義的傾向はやや減ると思う
5□保護主義的傾向ははるかに減ると思う
6□わからない

●回答者データ

以下の4つの質問は、本調査票の分類のためにご記入いただくものです。

1. あなたの役職名は何でいらっしゃいますか。(代表取締役、代表取締役社長、取締役会長、取締役相談役等、具体的にお答えください。)

_____(15-16)

2．現在、貴社がヨーロッパで展開されている事業活動は、次のうちのどれですか。
（あてはまるものをすべてお選びください。）

17 1□販売・流通
2□生産
3□マーケティング
4□完全独立子会社
5□部品およびサービスの主要供給業務
6□その他（具体的にお答えください）：＿＿＿

TELEPHONE CASH CARD INCENTIVE

REQUEST POSTCARD FOR SURVEY RESULTS

《1990年代の国際ビジネスに関する経営首脳意見調査》の調査結果サマリーを下記あてに送って下さい。

ご芳名(NAME)：

役職名(TITLE)：

会社名(COMPANY)：

会社住所(ADDRESS)：

郵便番号(POSTAL CODE)：

国名(COUNTRY)：

FORTUNE

WORLDWIDE OFFICES

THE U.S.

ATLANTA
(404) 262-2617

BOSTON
(617) 954-9415

CHICAGO
(312) 321-7888

DALLAS
(214) 387-8555

DETROIT
(313) 875-1212

LOS ANGELES
(213) 824-7200

NEW YORK
(212) 522-5203

PHILADELPHIA
(215) 667-9550

SAN FRANCISCO
(415) 982-5000

EUROPE

ATHENS
(1) 3611-892

DÜSSELDORF
0211-80511

ISTANBUL
(1) 165-52-03

LONDON
(01) 499-4080

MADRID
(1) 411-5461

MILAN
(02) 869-3545

PARIS
(1) 43 59 05 39

ASIA

HONG KONG
(ASIA, ex. JAPAN)
5-273525

SEOUL
(2) 278-3131

SINGAPORE
(65) 338-2774

TAIWAN
(2) 506-3175

TOKYO
(03) 270-6633

AUSTRALIA

SYDNEY
(02) 412-3918

MEXICO

MEXICO CITY
(905) 546-5119

Ernst & Whinney

Accountants. Tax advisors. Consultants. Over 450 offices worldwide

ANGOLA
Luanda

ARGENTINA
Buenos Aires

AUSTRALIA
Adelaide
Brisbane
Bunbury
Busselton
Canberra
Darwin
Melbourne
Newcastle
Parramatta
Perth
St. Leonards
Southport
Sydney
Townsville
Waverley

AUSTRIA
Vienna

BAHAMAS
Freeport
Nassau

BAHRAIN
Manama

BARBADOS
Bridgetown

BELGIUM
Antwerp
Brussels

BERMUDA
Hamilton

BOLIVIA
La Paz

BOTSWANA
Gaborone

BRAZIL
Rio de Janeiro
Sao Paulo

BRUNEI
Bandar Seri Begawan
Kuala Belait

CANADA
Alberta
Calgary
Edmonton
Lethbridge

BRITISH COLUMBIA
Abbotsford
Cranbrook
Kamloops
Kelowna
New Westminster
Penticton
Richmond
Surrey
Vancouver
Vernon
Victoria

MANITOBA
Portage La Prairie
Winnipeg

NEWFOUNDLAND
Corner Brook
St. John's

NEW BRUNSWICK
Bathurst
Fredericton
Moncton
Saint John

NOVA SCOTIA
Dartmouth
Halifax
Sydney
Yarmouth

ONTARIO
Barrie
Brampton
Brockville
Cambridge
Chatham
Elliot Lake
Grimsby
Hamilton
Kingston
Kitchener
London
Mississauga
Niagara Falls
North Bay
North York
Ottawa
Pembroke
St. Catharines
Sault Ste. Marie
Scarborough
Sudbury
Thunder Bay
Toronto
Windsor
York Region

QUEBEC
Montreal
Quebec
Sept-Iles

SASKATCHEWAN
Regina
Saskatoon

CAYMAN ISLANDS
Grand Cayman

CHANNEL ISLANDS
Guernsey (St. Peter Port)
Jersey (St. Helier)

CHILE
Concepcion
Santiago

CHINA, PEOPLE'S REPUBLIC OF
Beijing

CYPRUS
Nicosia

DENMARK
Aalborg
Aarhus
Arnum
Copenhagen
Esbjerg
Holbaek
Kolding
Naestved
Nykobing
Odense
Vejle

DOMINICAN REPUBLIC
Santo Domingo

ECUADOR
Guayaquil
Quito

EGYPT
Cairo

EL SALVADOR
San Salvador

FIJI
Lautoka
Suva

FINLAND
Helsinki

FRANCE
Lyon
Paris

GERMANY (WEST)
Dusseldorf
Frankfurt
Hamburg
Munich

GIBRALTAR
Gibraltar

GREECE
Athens

GUAM
Tamuning

GUATEMALA
Guatemala

HONDURAS
San Pedro Sula
Tegucigalpa

HONG KONG
Hong Kong
Kowloon

INDIA
Bangalore
Bombay
Calcutta
Hyderabad
Jamshedpur
Madras
New Delhi

INDONESIA
Jakarta

IRAN
Tehran

REPUBLIC OF IRELAND
Cork
Dublin
Galway
Kells
Limerick
Waterford

ISLE OF MAN
Douglas

ITALY
Brescia
Florence
Milan
Modena
Naples
Rome
Turin
Verona

JAMAICA
Kingstown

JAPAN
Fukuoka
Hamamatsu
Hiroshima
Kafuzawa
Matsusatsa
Nagoya
Saba
Niigata
Osaka
Sapporo
Sendai
Takamatsu
Tokyo
Toyama
Yamagata

JORDAN
Amman

KENYA
Eldoret
Mombasa
Nairobi
Nakuru
Nanyuki
Nyeri

KOREA
Seoul

KUWAIT
Kuwait

LEBANON
Beirut

LIBYA
Tripoli

LUXEMBOURG
Luxembourg City

MALAYSIA
Ipoh
Johore Bahru
Kota Kinabalu
Kuala Lumpur
Kuching
Labuan
Malacca
Miri
Penang
Sandakan
Sibu
Tawau

MEXICO
Cancun
Chihuahua
Ciudad Obregon
Coatzacoalcos
Cordoba
Culiacan
Guadalajara
Hermosillo
Jalapa
Los Mochis
Mazatlan
Merida
Mexicali
Mexico City
Monterrey
Navojoa
Nuevo Laredo
Puebla
Queretaro
Tijuana
Veracruz
Villahermosa

THE NETHERLANDS
Alkmaar
Almelo
Amsterdam
Assen
Eindhoven
Enschede
Groningen
Haarlem
The Hague
Heerlen
Hoofddorp
Rotterdam
Tilburg
Utrecht
Winschoten
Wormerveer
Zwolle

NETHERLANDS ANTILLES
Curacao

NEW ZEALAND
Auckland
Dunedin
Gore
Hamilton
Invercargill
Mount Maunganui
Oamaru
Queenstown
Tauranga
Wellington

NORWAY
Bergen
Drammen
Kongsberg
Oslo
Stavanger
Toensberg

OMAN
Muscat

PANAMA
Panama

PAPUA NEW GUINEA
Arawa
Port Moresby
Rabaul

PARAGUAY
Asuncion

PERU
Lima

PHILIPPINES
Manila

PORTUGAL
Azores
Funchal (Madeira)
Lisbon
Oporto

QATAR
Doha

SAUDI ARABIA
Al Khobar
Jeddah
Riyadh

SINGAPORE
Singapore

REPUBLIC OF SOUTH AFRICA
Bellville
Cape Town
Durban
East London
Estcourt
Johannesburg
King William's Town
Krugersdorp
Pietermaritzburg
Pinetown
Port Elizabeth
Pretoria
Queenstown
Springs
Sybrand Park
Vereeniging
Windhoek

SPAIN
Barcelona
Bilbao
Las Palmas (Canary Islands)
Madrid
Palma (Mallorca)
Sevilla
Teneriffe

SRI LANKA
Colombo
Kandy

SWAZILAND
Mbabane

SWEDEN
Gothenburg
Malmo
Stockholm

SWITZERLAND
Fribourg
Geneva
Lausanne
Zurich

TAIWAN
Taipei

TANZANIA
Arusha
Moshi

THAILAND
Bangkok

TRANSKEI
Umtata

TRINIDAD & TOBAGO
Port-of-Spain

TURKEY
Istanbul

UNITED ARAB EMIRATES
Abu Dhabi
Dubai
Ras Al Khaimah
Sharjah

UNITED KINGDOM
Aberdeen
Belfast
Bideford
Birmingham
Bristol
Cardiff
Edinburgh
Exeter
Glasgow
Hull
Inverness
Ipswich
Leeds
Leicester
London
Luton
Manchester
Newcastle upon Tyne
Norwich
Plymouth
Reading
Sheffield
Southampton
Swindon
Torquay

URUGUAY
Montevideo

VENEZUELA
Caracas
Maracaibo
Valencia

YEMEN
Sanaa

ZIMBABWE
Harare

UNITED STATES

ALABAMA
Birmingham
Mobile

ALASKA
Anchorage

ARIZONA
Phoenix
Tucson

ARKANSAS
Little Rock

CALIFORNIA
Century City
Fresno
Long Beach
Los Angeles
Oakland
Orange County
Riverside
Sacramento
San Diego
San Francisco
San Jose
Walnut Creek
Warner Center

COLORADO
Denver

CONNECTICUT
Hartford
Stamford

DISTRICT OF COLUMBIA
Washington

FLORIDA
Boca Raton
Ft. Lauderdale
Jacksonville
Miami
Orlando
St. Petersburg
Tampa
West Palm Beach

GEORGIA
Atlanta
Atlanta (Perimeter)
Columbus

HAWAII
Honolulu

ILLINOIS
Chicago

INDIANA
Fort Wayne
Indianapolis
South Bend

IOWA
Des Moines

KENTUCKY
Lexington
Louisville

LOUISIANA
Baton Rouge
New Orleans

MAINE
Portland

MARYLAND
Baltimore

MASSACHUSETTS
Boston

MICHIGAN
Detroit
Grand Rapids
Jackson
Kalamazoo
Lansing
Saginaw

MINNESOTA
Minneapolis
St. Paul

MISSISSIPPI
Jackson

MISSOURI
Kansas City
St. Louis

NEW HAMPSHIRE
Manchester

NEW JERSEY
Hackensack
Newark
Princeton

NEW MEXICO
Albuquerque
Roswell

NEW YORK
Albany
Buffalo
Long Island
New York
Syracuse
White Plains

NORTH CAROLINA
Charlotte
Durham
Raleigh
Winston-Salem

OHIO
Akron
Canton
Cincinnati
Cleveland
Cleveland (Lander Circle)
Columbus
Dayton
Toledo
Youngstown

OREGON
Portland

PENNSYLVANIA
Erie
Harrisburg
Philadelphia
Philadelphia-Actuarial
Pittsburgh
Reading

PUERTO RICO
San Juan

RHODE ISLAND
Providence

SOUTH CAROLINA
Columbia
Greenville
Spartanburg

TENNESSEE
Chattanooga
Knoxville
Memphis
Nashville

TEXAS
Austin
Corpus Christi
Dallas
Dallas (North)
Fort Worth
Houston
Houston (Galleria)
Laredo
San Antonio

U.S. VIRGIN ISLANDS
St. Thomas

UTAH
Salt Lake City

VERMONT
Burlington

VIRGINIA
Fairfax
Norfolk
Richmond

WASHINGTON
Seattle
Tacoma
Telecommunications

WEST VIRGINIA
Charleston

WISCONSIN
Milwaukee